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MANAGEMENT

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Foreword

The Japanese character shown here is the one on this book's cover. It represents the concept of harmony or peace.

The concept pervades and creates continuity throughout the many management systems of Japan.

Regardless of the extent to which one accepts Japanese management techniques as workable in an American government setting, the goal of harmony—especially in times of radical change—seems a worthy one

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Japanese Management & White Collar Government

*Japanese management techniques have been the subject of great interest on the part of productivity-minded managers and theorists for the past several years. Their use, particularly the concept of quality circles, has been attempted in many production facilities, including government blue collar operations (See "The Quality Circles Program at Norfolk," **Management,** Summer 1980.)*

*In order to learn more about Japanese management theory's potential for white collar workplaces and the federal bureaucracy, **Management** interviewed Joji Arai, manager of the United States Office of the Japan Productivity Cen-*

Q: In the long run, how much of the Japanese productivity movement can be assimilated into American society, given the differences in the American people?

A: I suppose not all the programs can be effectively implemented in the American environment because of the differences in culture and social background. However, productivity is a new concept actually introduced by Americans into Japan. Most of the productivity oriented programs have either U.S. origin or European origin. I don't see why some of the programs cannot be effectively implemented in this environment if you are to make a slight adjustment or improvement in those originally Japanese programs.

Q: Which do you think are most likely to work?

A: Obviously, the programs with heavy emphasis on hardware technology have no weaknesses as far as the transferability is concerned because you have the same technology regardless of the cultural environment. However, if you start going into a software area, particularly with respect to the human resource oriented programs, obviously the mentality of the people has a great deal to do with the effectiveness of the program. But I think basically people are the same regardless of where they come from. The famous Harris and Moran study shows that human vanity is the same, regardless of nationality.

Q: Specifically, I was thinking about the adversarial relationship the unions seem to have with management.

A: I don't know that it has to be an adversary relationship at all. Obviously you are not living in the same society you used to live in back in the 1940's or 1950's. People have to change. The unions have been so far basing their strategy on confrontation with management. But also it is true that the old-fashioned union has a basic concept of maintaining the old crafts. Yours is a craft oriented union even though you do have industrial workers in them. Today's crafts may not be needed tomorrow, so obviously if the union will stay with the old principle, they lose the grounds for the organization itself. So they have to change. I think the same thing can he said about management. The management mentality has to change; human values in a transitional society have to change.

Q: How can you change attitudes? Sometimes, they seem to be more polarized than ever.

A: I don't think so. Look at what happened to the United Auto Workers. You can't possibly have expected the members as well as the leadership to agree to freeze the pay at all. You couldn't have possibly expected Doug Fraser to sit on the board of the Chrysler Corporation. It's a conflict of interest—but he's sitting on the board. That's a tremendous mentality change on the part of the union. They realized that the social environment they are living in changed and they have to change. If they can do that, why can't the other unions—because basically facing the same problem. If the unions stay with the same old values, they will not be able to survive.

Anytime you have to go through drastic social change the people's mentality changes also. You may take for granted that in Japan a cooperative relationship existed between labor and management. That's not true. They used to have an adversary relationship. The Japanese union movement was based on the old style British socialism. And the union leadership used to think that creating a totalitarian society through class struggle was the basic goal. So they walked out for political reasons and quite often we saw in extreme situations where the union walkout bankrupted many of the Japanese companies. Then we realized that that was no way to restructure the Japanese economy.

Q: This was directly after the war?

A: Back in the 1950's. Of course, the initiative came from management but in order to restructure the Japanese economy, it was essential that the union come into the productivity movement, so they very persistently and persuasively got the unions to come into the movement. During that period of time, we had a great struggle between the moderate union leadership and old conventional union leaders. Toward the end of the 1950's, we all agreed that such change was necessary and we saw the emergence of the new unions. Cooperation with management was essential for their own survival and would be beneficial for unions as well as for management.

Q: Was this at the same time that the quality control circles went in?

A: Quality control circles actually started back in 1962. And this mentality change [illegible] 1950's. So [illegible] well for [illegible] labor that the cooperative relationship was essential for expanding the size of the pie. They preferred to work together rather than argue the percentage points which have to be allocated to either management or labor.

Q: I read that America raises lawyers and Japan raises engineers. Lawyers sit around and argue about how to divide the pie but engineers expand the pie.

A: Yes. We'll be graduating around 450,000 college students this year. More than 20 percent come from engineering schools. You graduate somewhere around 850,000 every year. Of the total, you have 5.5 percent graduating from engineering schools.

Q: I understand that in Japan the engineers work more closely with the actual production people.

A: Right. What the Japanese companies do is to let them go through on the job training. Sometimes Japanese companies set aside one to two years to train engineers on the job. So Japanese engineers will be exposed to production as well as design and to various aspects of the management of the corporation as well. So that by the time they become design engineers, for example, they know the requirements of the production area. Therefore, they do not place constraints on the production department in designing new products.

In the United States, design engineers are design engineers always. Therefore, they put into the design the maximum of their knowledge. They couldn't care less about the production department, so they place all kinds of constraints on them. Sometimes the production department has to buy new equipment for the parts of the component, which tends to raise the prices of American products. Because of the production orientation on the part of Japanese engineers, Japanese products are cheaper.

Q: Does this kind of cooperation exist in white collar situations as well?

A: Yes. They run the system in the same way. In the decision making area, most of the white collar workers are consulted by their supervisors. The managers depend very much upon the support of staff and subordinates in coming up with decisions. Very seldom do you see the situations in which managers themselves make decisions right away and tell people later.

Q: One of the criticisms I've heard is that workers in the American corporations that are Japanese owned and run are impatient with the time it takes to make decisions.

A: That's true—until such time as you get accustomed to the Japanese method you become frustrated and you are poor Japanese managers. Sometimes you become lost because Japanese managers very seldom tell subordinates what they are to do. But on the other hand, the Japanese think the subordinate has to be just as innovative as managers. The manager expects subordinates to come up with a lot of suggestions and new ideas. So each side sits tight and nothing happens. But finally, both sides find out what the other side wants. And, of course, Americans like the idea of having their views and ideas reflected in management decisions. And Japanese managers in turn appreciate the innovative suggestions. They usually work quite well. It takes usually a year or two before Japanese management becomes accustomed to the behavior of Americans.

Q: Are there unions in the Japanese government?

A: Yes, we do have government employees organized into unions.

Q: Have they had any problems, like the air traffic controllers?

A: Yes, we have in the national railway system, which is a public corporation and employs almost half a million people. They have several craft type unions. Some still pursue the old class struggle principle and they do walk out on strike often. However, usually the Japanese strike lasts a couple or three days. Most don't even last that long. The economic impact of a strike is very slight but you certainly go through an inconvenience with all public transportation systems coming to a halt.

Q: Do they have a right to their jobs back?

A: They usually will be subjected to disciplinary action by management.

Q: By losing money?

A: By losing money or suspension from the job and, in very severe cases, they discharge people. But the Japanese have never been brave enough to do what President Reagan did. But, I think, even the radical union involving the rail system, starting last year, was prevented from the idea of walking out on strike because of the severe public criticism. Because the public are the ones who suffer.

Q: In William Ouchi's book* (Theory Z: How American Business Can Meet the Japanese Challenge), *he describes the American federal bureaucracy as the least likely place in the world that Japanese management technique would work—mainly because of equal employment opportunity considerations. He feels this creates a super-heterogeneous organization loaded with rules and regulations that make it very inflexible. Consequently, he feels that the government is probably the worst target in the world for management by consensus. Do you agree?

A: I don't think you can make a flat statement like that. Because you see the difference in the performance of federal employees depending on the agency. You look at the old traditional established agencies and compare their performance against the new agencies, such as the Environmental Protection Agency or the Energy Department or a few others, those new ones which unfortunately will be phased out.

Q: They have been criticized for being poorly organized.

A: Poorly organized but at the outset of the programs, you found that the staff were very young and well-educated and that they worked very hard.

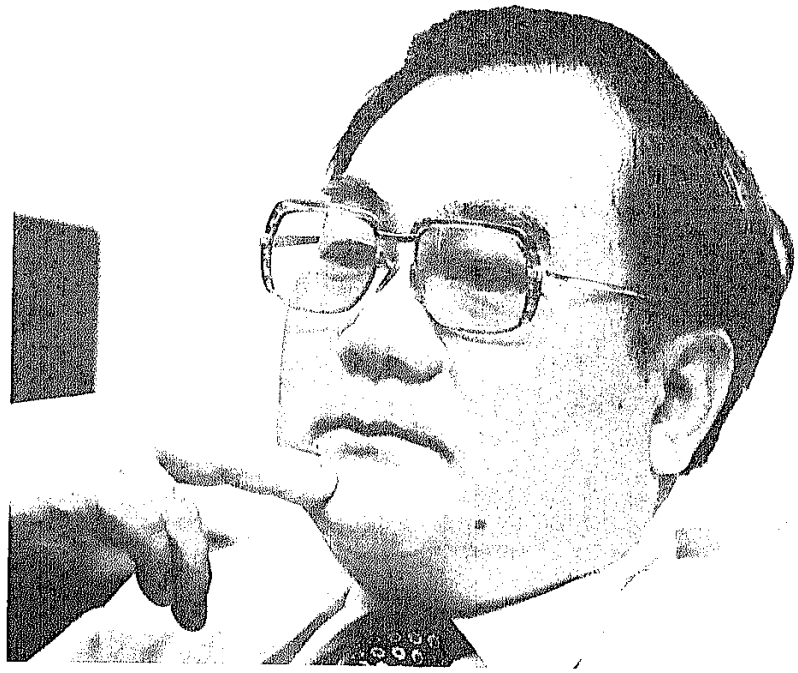
Q: In a consensual way?

A: Not exactly, but at least they worked hard. People worked hard as compared, perhaps, to people in the old traditional departments because of the fact that people who came to the newly emerging departments had a goal of their own. They wanted to do something in the area of improving the environment. They wanted to do something in the area of education. When people have an ideal they work hard. It's purely a matter, I suppose, of recognizing the importance of what they have to do. In the old traditional department it becomes a routine thing and an employee turns out to be mediocre because of the lack of motivation.

However, I think it's entirely dependent upon the attitude of management. If anything discourages the federal employee from becoming motivated I think it is the politically oriented way you run the departments. Every time the Administration changes, the Secretary will bring in a group of political appointees and people who are below don't know how to cope with the change for the first several months. Then after they become accustomed, they look towards the next three years to just go along and then expect another change to come in again. You go through that cycle all the time.

Q: Are Japanese bureaucrats less affected by Japanese politics?

A: They aren't affected at all. As a matter of fact, they think they can run the country—even though they don't say that. The politician has to depend upon the bureaucrats because politicians do not have the expertise in government. They don't have political appointees. The only political appointees we have in each ministry are the minister and the vice minister for political affairs. That's good and bad. Good because of continuity and the consistency of the government policy. On the other hand, if you happen to be a very bright minister, you can't run the ministry because you are alone. Perhaps your vice minister might help but he also



happens to be a political appointee. And you cannot rely heavily upon the bureaucrats because they have their own mind. So you become a sort of nominal figure.

Q: I think that some appointees feel that way, even in this system. But they have special assistants, a layer of employees. . .

A: Both systems have merit and demerit. But consider the fact that the largest number of government employees are bureaucrats. If you place heavy emphasis on the motivation of the bureaucrat then obviously the Japanese system works better than the American political system.

Q: I understand that in Japan the government gets the top people from the schools—that it is a much more prestigious thing to do there, perhaps, than it is here or has become here.

A: Yes, they know that they, not the politicians, run the country. That gives a tremendous morale boost to people who want to be in the government.

The Japanese, as you know, have a lifetime employment system and it is quite difficult to make a transition from one organization to another organization in midcourse.

There is an exception—the government employee. If you obtain a high position in the government, you can slide right into the high ranks of the private corporation, because private corporations highly value the talent and experience of the government employee. The reason is very simple: The Japanese consider the essential role the government has to play is that of the planner. And government bureaucrats tend to develop plans based upon the macropicture and the long range, because they obviously have to work for a long period of time and they have a national interest, rather than the political interest of the region which elected the politician. Therefore, they tend to develop the expertise for thinking of any new program's macroimpact, both global and domestic. That's kind of a rare talent and the private sector would really like to have that kind of talent. So in Japan we find the cream of the crop and the finest

university graduates going into government service. That's the quickest way to go up.

Q: Are the salaries more in private industry?

A: Not a lot, but I'll say the salary scale for government employees is lower than the comparable one in the private sector. But they endure that because of the interest in the work they perform. After waiting 20 years, they really get what they have been after, a high position in the private sector. When you reach the age of 50, your supervisor will come and tell you that they have a very good job for you in the private sector and would you consider it. If you say no, then it's fine, you have that option. But you will discover that you will be transferred to some other position, some nominal position without any authority. So people prefer to retire before that and go into the private sector.

Q: So this is done for them and not on their own initiative?

A: That's right. This is done for them by the people high up in government.

Q: If you haven't made it by the time you're, say, 45, you know you're not going to?

A: That's right.

And then your wages will rise?

tion to become an adviser, so that a younger one has an opportunity to move up. That's an adjustment we've made in our system. If we don't do that, we'd have a large number of unemployed people. So we started to develop this relatively new system.

Q: Is the attitude toward government among the workers in Japan different than it is here?

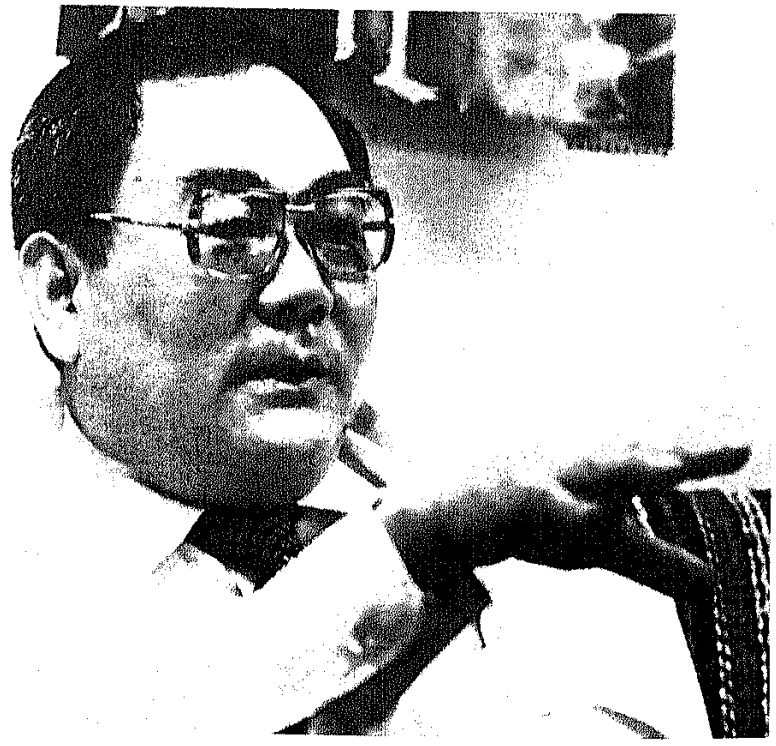
A: A little different, I suppose. Our basic concept of the government is different. Our concept of the government is for it to become a planner and for it to take the nation on the path of economic progress, because we certainly do not intend to become a military power as the United States obviously does. So the government role becomes a supportive one, like a teacher's role, in leading the country to prosperity. Raising the economic standard will raise the standard of living for the people. If that's the duty of the government, they have to cooperate with business. Contrary to the popular concept in the United States, the Japanese government does not directly interfere with business activities. They do take an indirect role in attempting to restructure that sort of society so that we can constantly have a high performance in productivity. But they primarily let the market function take care of that.

Q: Do they let businesses fail?

A: If they are in local activity, low technology, low value industry using a proportionately large amount of energy and raw material, then we let them go down the drain.

Q: They just aren't going to prop them up forever?

A: No, again because we don't have the political considerations. Here, you have important politicians who push for survival of such companies if the company is located in their district. Because if he does not do that, there'll be high unemployment and he will not have a chance for re-election. But over there, since the bureaucrats are the ones who run the country, they



couldn't care less about a company going down—or that a Diet member is interested in it.

Q: I have read that women and minorities are excluded from the top levels of management in industry there. Is that also true in the government?

A: It is true. They are rather disadvantaged there. Because most ladies set their primary goal as marriage—rather than a professional career. So most of the time we find that young girls starting to work for the company or government offices resign from their post after they reach the age of 25 or 26. They get married. Some of them choose to return after they raise their children when they can have more time to work. But most of the time they stay retired from active business or government affairs. Because of that, you seldom find Japanese woman executives.

Q: But there are same?

A: Oh, there are some. And of course, you find the largest number of them in the Bureau of Women, in the Ministry of Labor.

Q: Haw are people selected for managerial jobs?

A: Usually, if you graduate from schools about the same year, you have just about the same chance of being promoted to a next higher level. Of course, if you come from the better colleges, like the University of Tokyo, you obviously have a better chance of making it to management positions faster than the others. But in Japan, we do know that we have just about the same chance as anybody else, depending upon the length of service we put in with the same organization.

Q: Does everybody know what the salaries are?

A: Yes, because of that fact the primary determinative factor at all wage levels is length of service and also the educational background. So

if an employee has graduated from a university majoring in either engineering or liberal arts and has put in so many years with the company, as against the high school graduate doing clerical or routine work, we can almost identify through the computer how much he or she is getting. That's how rigid the Japanese wage scale is. Performance has very little to do with the amount of salaries or wages that you receive.

Q: Are there cash awards or bonuses?

A: Yes, we have bonuses. Not necessarily for individual outstanding performance but everybody gets bonuses twice a year, regardless of what kind of job you perform. As a matter of fa we have a very egalitarian salary system: regardless of your position you are usually entitled to receive the same percentage bonuses as the executives. Actually the Japanese practice is to divide annual income by 18 rather than 12 and give out 1/18 every month. And then the remaining third will be given to the employees twice a year in a formal bonus. In times of booming economy, this six months bonus could run the equivalent of seven or eight months' salary. But in times of decline in the economy, it could go down to four months' equivalent. This is a buffer Japanese companies use in order to cope with a downturn of economy. In the United States, a company immediately lays off people. But in Japan, we cannot lay off people because we have a lifetime employment system. In a declining economy, when the company cannot afford to maintain excess labor forces, they use many techniques like in-house transfer, re-training and so forth. But the first thing they do is to reduce the amount of bonuses. They already have this money accumulated and so without suffering they can make adjustment. They can keep excess employees this way; they do not have to lay off people. It gives them time to make adjustments.

Q: How often are workers evaluated?

—once a year. Some, twice a year evaluation.

Q: But they don't let people go?

A: No. Evaluation has not much to do with the salary or wages, but it may have a great deal to do with promotional opportunities.

Q: If you were really bad, how would they discipline you?

A: They go through warning and written warning and reprimand and all of that sort of procedure if you are infuriatingly bad. Japanese think that there is no such person as a bad one: It's simply that the person is not placed in the right job or he was not properly trained or he

was not properly motivated. If you have an employee or subordinate who cannot perform at the level of your expectation, it's management's responsibility, not the man's responsibility.

Q: Do they spend a lot of time on motivating people?

A: It's a big thing. Obviously, discussing an issue with the subordinate and among line supervisors is a motivating factor; they are being consulted, they get involved in the decision making process. That's a motivational program in itself. Also Japanese devote very large amounts of time as well as a lot of money for training people in new techniques and new systems. Naturally, people do not object to being offered the opportunity to expand knowledge and apply a new skill. And that's another motivating factor.

Q: But it isn't necessarily more money?

A: We don't tend to interpret anything we do in terms of monetary compensation. Some of the things we do may result in increased monetary return, but some may not. If not, it gives us more opportunity to do better things that give self satisfaction. There has to be a balance, of course, of those factors. We don't interpret the accomplishment immediately in terms of money, as Americans do.

Q: Some Japanese companies in America have not been too successful because both sides had unrealistic expectations. When they are trying to remedy that, more training always seems to be the answer. They seem to feel that if they just could get the message across, it would work. Is that true?

A: That's very true. Initially most of the Japanese companies go through that stage in this country, because Japanese have no underatanding of the mentality and the behavior pattern of American employees.

Q: But they think it's worth putting up with it, anyway? Financially?

A: Americans are basically a hardworking, highly educated people. And they can be made into very useful workers, given the proper training and motivation, the proper compensation.

Q: I have been reading about Japanese language, that it is basically pictorial and that it is hard to type; therefore they don't write memos a lot. Is that true?

A: That's true, not so much as Americans do. They rely more upon verbal communication, which is more intimate than written communication. This makes communication between top management and middle management quite easy. Also, the surprising fact is that even though Japanese characters are difficult to write, they are very easy to understand. So I might not know the exact meaning of a certain word but because of the way it's written, I can *guess* as to what it means. I can have instant comprehension of Japanese and can scan it to get a rough meaning. I can whip through the pages very fast. The pictorial nature of the character makes it possible for me to understand the rough meaning of the author, which in English you cannot do. So there is that advantage in it; but there are disadvantages in writing because it takes an enormous amount of time.

Q: Japanese managers are generalists rather than technical specialists. This argument seems to go on in America all the time: Do you want the person who knows the nuts and bolts or do you want the generalist?

A: They are taught many skills. Because after all we live in a changing world. Today's skills might not be needed tomorrow and in that sort of situation, I think the Japanese system obviously works better than the old traditional system. Under the traditional system you might have one set of expertise but that expertise might not be needed anymore; for instance, welding skills, painting skills, certain required skills in assembly operations. That skill can be replaced by robots and control systems. All of a sudden the workers find that there is no place to go and retraining them requires an enormous amount of time and money. Japanese managers can make adjustments immediately because they have training and skills in many areas. Also, in making decisions, a manager relies upon a wide perspective based upon his exposure in different management areas. In the United States, if you come from the area of finance, you tend to make decisions based upon the financial facts, not on requirements of production or whatever, because you are already an expert. It gives you a deep perception of the issue in a certain sense, but at the same time it gives you a sort of misguided conception with respect to other elements or factors or new expertise. So I suppose it depends upon what viewpoint you take in determining what the Japanese method is: It's better or worse than the American method.

Q: If a worker's specific skill is obsolete and he is learning how to do something else, is he retained at the same salary?

A: Usually he'll be transfered to a better job because we're introducing a large number of automated systems in the production area. Robots replace redundant, dangerous, rather simple work. No one wants to do those things to begin with and people who are replaced by the system simply have the opportunity to use more of their brain than their hands and feet, because the lifetime employment system guarantees them a job. In order to make it possible for management to keep employing those people we simply retrain the people with a new skill. So in this sort of situation, multi skill training suits us quite well.

L. G. T.

THE "LONE RANGER" SYNDROME

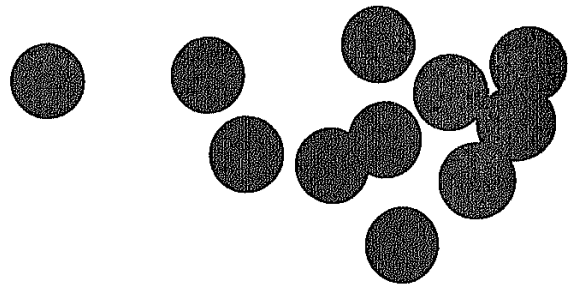
(Helping Supervisors to Ask for Help)

By Arthur J. Purvis

A good friend of mine, who's also a member of Alcoholics Anonymous, tells a story about a remarkable change in his value system. When he was a boy, he says, his hero was the legendary masked man who lived alone in the desert with his horse. Periodically, when trouble brewed, this masked man would ride into town, drive off the "bad guys," and then disappear, majestically and alone, into the desert—as someone called after him, "Who *was* that masked man?"

It was only after his recovery from alcoholism, says my friend, that he began to realize, "Someone who lives alone in the desert with his horse is *weird!*"

The ideal of the strong person who "goes it alone," "bears her cross," "toughs it out," or maintains "a stiff upper lip" is not, unfortunately, limited to alcoholics. It's an ideal that has become deeply embedded in our culture, folklore, and society. It's an ideal that—while it has undeniable appeal to the romantic in each of us—poses a distinct threat to effective management and supervision. It's an ideal that prevents supervisors from getting the help they need in dealing with over 400,000 alcoholic employees, drug-addicted employees, and employees with emotional problems—employees who cost the Federal Government an estimated billion annually



assistance which is finding increased acceptance with agency counseling programs. There is a distinct trend toward recognition of the supervisor as a client in his or her own right, who needs and is entitled to assistance.

At this point, I might as well admit (because the trivia experts will hang me if I don't) that, in reaching for an analogy, my A.A. friend and I have misrepresented the *real* Lone Ranger. After reading the first paragraphs of this paper, our secretary complained, "But the Lone Ranger didn't live alone! He had an Indian friend, *Tonto!*"

I know! and, while I confess I haven't researched the relationship, I feel as certain as can be that the real reason behind the masked man's countless successes was, in fact, his forgotten Indian pal. Without Tonto as his partner/advisor/sounding board, I'm convinced, the Lone Ranger would have fired most of the silver bullets astray. So the Syndrome among supervisors, is, really, trying to go the Lone Ranger one better—trying to do the job without *Tonto*.

Training of Supervisors and Union Personnel" (Older, Phillips and Purvis, Labor-Management Alcoholism Journal, July-August 1978).

In the first paper, "A Model for Counseling Troubled Supervisors," it was argued that supervisors of troubled employees may, themselves, need counseling. The reasoning was as follows:

- *Supervisors of troubled employees often feel angry, fearful, frustrated, letdown, etc. In many ways, these feelings parallel the feelings of troubled employees.*
- *Some supervisors are overwhelmed by the strength of their feelings. They may feel overpowered, helpless, guilty, and inadequate. Because of feelings of guilt and inadequacy, they may try to hide or* deny *their anger, frustration and fear.*
- *Denial of feelings and denial of the problem usually go hand-in-hand.*
- *While denied (suppressed) feelings continue to build in the supervisor, adding to stress, the denied (and therefore ignored) problem gets increasingly worse and more out of control.*
- *An inverse relationship is established between the seriousness of the problem and the supervisor's ability to cope with it.*
- *Finally, the supervisor is unable to deal with the problem without counseling.*

This pattern of "communicable" feelings may sound familiar to anyone who works closely with such organizations as Al-anon, Alateen, and The Other Victims of Alcoholism. And, of course, the principles are not new, although their applicability to supervisors is something we have just begun to focus on and work with.

Behavior-Feeling-Behavior Analysis

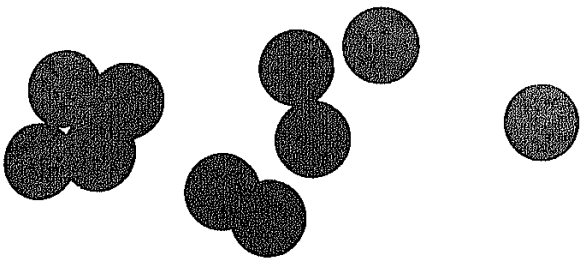
In our second paper, we introduced a three-part questionnaire designed to elicit from supervisors: (1) their observations of performance and conduct deficiencies *(behavior)* typical of "troubled" employees; (2) the *feelings* triggered by these deficiencies; and (3) their subsequent actions or inactions *(behavior)*, as a result of these feelings.

Part I of the questionnaire is aimed at breaking down supervisory *denial* of the problem. It's well known that alcoholics, drug abusers and some emotionally troubled people tend to deny their problems. It's less well known, but equally true, that those around them (relatives, friends, *and bosses)* often participate in this denial. It's as important to confront supervisors with factual evidence of the existence of a problem as it is to confront the troubled employee. Our type of questionnaire, in fact, parallels those devised by AA and others (e.g. "If you've checked even one of these items you *may* have a problem; more than three, you *probably* do; more than five, you're in *trouble!*").

Part II deals with the critical element of feelings. It's important for supervisors to see these feelings as normal and not as a sign of inadequacy or failure. Feelings of rage, helplessness, betrayal, fear, etc. can be interpreted in just this way.

"Why do I feel so helpless?"

"I *shouldn't* be so angry!"



"What am I doing wrong?"
"What can I do?"
Etc. etc. etc.

"Symptoms" Examined

It's easy to see how these feelings can build and undermine the supervisor's or steward's self confidence. As one way of varying the "normality" of these feelings we examine what we term the "common denominator symptoms" of alcoholism/drug abuse/emotional problems. These *common denominator symptoms*, (1) *Loss of Control* (compulsion), (2) *Denial of the Problem*, and (3) *Progression*, are very useful in illustrating the natural links between employee behavior and supervisor or steward feelings.

"How could he? He promised it would *never* happen again!" (compulsion)

"But she said she never drank!" (denial)

"I hoped things would improve after his wife got out of the hospital, but things are worse than ever!" (progression)

All three symptoms, but particularly the second (denial) can also be paralleled with supervisory behavior. e.g. *Employee Denial:* "I can take care of my *own* problems, can't I?" *Supervisory Denial:* "Let me have another crack at doing it *my way.*"

Context Adds Freshness

Several years ago, I read a description in a journal of psychology of one of the self-help organizations—I forget which one—and was struck by a short paragraph in which the movement's founder described a part of the process used to get participants to stop pretending and admit to their feelings. He said, and I can only paraphrase,

"We use laughter a lot, because we've found that once people accept themselves as members of a society of fools and sinners, the pretensions of the ego become less important and are more easily dropped."

Key Process

We try to use this process in our training, to help supervisors drop their masks. If they can not only see, but also laugh about, the ways in which their feelings and behavior parallel the feelings and behavior of their alcoholic, drug-addicted, and/or emotionally troubled employees, we've gone a long way toward dissipating feelings of guilt, inadequacy, fear, etc. that block them from asking for help.

Finally, we get back to Tonto! Supervisors, who have talked about and laughed at their feelings and non-productive behavior, are now comfortable with themselves—nothing left to hide—ready to ask for help. Who do they ask? Why, *Tonto,* of course! (For anyone who hasn't figured it out, Tonto symbolizes the agency or company counseling program).

Wrong Focus

So how do we present Tonto to the supervisor eagerly awaiting assistance? My thesis is that, all too often, counseling programs come across as more the threatening savage than the faithful companion and guide. Too often, the idea is conveyed, whether in training or on-the-job, that supervisors, (union stewards, or whoever), had better not darken the door of the counseling program unless they have their tepees in *order.* ("Have you observed, documented, confronted?" "Have you read the regulations?")

Supervisors who haven't may be driven from the office by a hail of arrows. ("Come back when you've *read* the regulations, *documented,* etc. etc.") Too often the focus of supervisory training is on what we expect of the supervisor, rather than what the supervisor can and should expect of an employee counseling program.

We've tried to change that focus. We've developed what we call "A Supervisor's Bill of Rights." It deals not only with the "hang up" of asking for help, but also with what the supervisor has (or should have) a *right* to expect, once that help is sought. We see our "Bill of Rights" as a training tool, not only for supervisors and stewards, but also for personnelists, counselors, and program people in general.

Helping supervisors to ask for help may yet prove to be the breakthrough we've long been waiting for in employee counseling.

Arthur J. Purvis is acting program manager, Alcohol/Drug Abuse Program, OPM.

This article was adapted, with permission, from "Getting Rid of the Lone Ranger Syndrome in Supervisors," the Labor-Management Alcoholism Journal, July-August 1979, copyright 1979 by the National Council on Alcoholism. The questionnaire was taken from "A New Approach to the Training of Supervisors and Union Personnel," from the same publication, July-August, 1978.

Supervisors' Rights

Article I
When I ask my agency counseling program for advice, it:
1) *Is not a cop-out* or admission of any failure on my part as a supervisor. On the contrary, it's good management. When I need a specialist—whether it's to fix a typewriter, program a computer or paint a wall—I should get one. Helping a troubled employee is one of those times. Letting professionals do their job is a part of my job.
2) *Doesn't commit me to anything.* The decision whether to confront an employee, to refer that person, or take action against an individual remains mine. The advice I receive will be *just that*—advice—but it will be professional advice.
3) *Is confidential.* What I say will not be passed on to my employee, my supervisor, or anyone else.

Article II
As a supervisor I'm entitled to the following services from my agency counseling program:
1) A patient, understanding, and professional hearing of my problems with and feelings about the employees I supervise.
2) Assistance in working out those problems and feelings in a productive way, so my employees can do their jobs and I can do mine.
3) Guidance in documenting performance and behavior problems.
4) Guidance and support in confronting my employees about their performance and behavior problems, where this is necessary.
5) Competent and professional handling (counseling and/or referral) of employees I send for help.
6) Follow-up with treatment resources to determine whether employees are receiving the services promised and whether they are following the prescribed treatment programs.
7) Follow-up with me, to the extent permitted by confidentiality regulations.
8) Continued assistance, as necessary, to the employee and to me in readjusting to a productive work relationship.

Questionnaire
Part I
Think about the employees you supervise. Do any of them have any of the following characteristics? Go through the list below and place an "X" next to each characteristic you have noted.
Changes In
1. *Absenteeism*
____ a. Multiple instances of unauthorized leave
____ b. Excessive sick leave
____ c. Frequent Monday and/or Friday absences
____ d. Repeated absences, particularly if they follow a pattern
____ e. Excessive tardiness, especially on Monday mornings or in returning from lunch
____ f. Leaving work early
____ g. Peculiar and increasingly improbable excuses for absences
____ h. Higher absenteeism rate than other employees for colds, flu, gastritis, etc.
____ i. Frequent unscheduled short-term absences (with or without medical explanation)

2. *"On-the-Job" Absenteeism*
____ a. Continued absences from post more than job requires
____ b. Frequent trips to water fountain or rest room
____ c. Long coffee breaks
____ d. Physical illness on the job

3. *High Accident Rate* (and, consequently, more accident claims)
____ a. Accidents on the job
____ b. Accidents off the job

4. *Difficulty in Concentration*
____ a. Work requires greater effort
____ b. Jobs take more time

5. *Confusion*
____ a. Difficulty in recalling instructions, details, etc.
____ b. Increasing difficulty in handling complex assignments
____ c. Difficulty in recalling own mistakes

6. *Spasmodic Work Patterns*
____ a. Alternate periods of high and low productivity

7. *Reporting to Work*
____ Coming to/returning to work in an obviously abnormal condition

8. *Generally Lowered Job Efficiency*
____ a. Missed deadlines
____ b. Mistakes due to inattention or poor judgment
____ c. Wasting more material
____ d. Making bad decisions
____ e. Complaints from users of products
____ f. Improbable excuses for poor job performance

9. *Poor Employee Relationships on the Job*
____ a. Over-reaction to real or imagined criticism
____ b. *Wide* swings in morale
____ c. Borrowing money from co-workers
____ d. Unreasonable resentment

Part II
Now, go back over the list and for each item marked X indicate in the left hand margin how you felt about this type of employee behavior.

A. ☐ I felt helpless.
B. ☐ I was sad.
C. ☐ I felt hurt
D. ☐ I felt let down.
E. ☐ I was fearful about what might happen.
F. ☐ I felt guilty somehow.
G. ☐ I was angry.
H. ☐ I felt superior.

Part III
One more time, go over the list, and for each item marked X, indicate in the right hand margin what you did about this behavior.
A. ☐ I did nothing, I ignored it.
B. ☐ I covered up for him/her.
C. ☐ I gave him/her a good "chewing out."
D. ☐ I moved him/her to a less demanding job.
E. ☐ I cut off communications with him/her.
F. ☐ I complained to others (my boss, colleague, secretary, wife/husband, etc.)
G. ☐ I threatened him/her.
H. ☐ I did his/her work.
I. ☐ I promoted him/her.
J. ☐ I persuaded him/her to retire.
K. ☐ I resigned/retired.
L. ☐ I did something else.

Merit Pay Attitudes Signal Need for Management

INVOLVEMENT

By Efstathia A. Siegel

This year, 1982, will be the first year the merit pay system will work as intended government-wide. Created by law as a management tool for distinguishing and rewarding better job performance, merit pay has been in limited effect in 1980 and 1981.

In September 1981, the Comptroller General of the General Accounting Office limited the amount of money in that year's merit pay fund by reducing the quality step increase monies on an average from 0.4 percent of payroll to 0.1 percent and by reducing the within grade monies by 50 percent. At these funding levels, most merit pay employees rated "fully successful" would not have gotten comparability. To avoid this occurrence, OPM Director Devine decided to award the full comparability increase to all merit pay employees in October 1981, thus lowering significantly the funding level for merit pay pools. (See Chart.)

This limitation on pool funding weakened the effectiveness of merit pay as a substantial reward for outstanding performance. Although the transitional plan prescribed by Director Devine allowed for additional compensation above the 4.8 percent genera pay increase for employees rated

• Affected employees expressed doubts about the adequacy of merit pay pool funds.
• A majority of employees who participated in the 1980 payouts said that, if given the option, they would choose to stay in merit pay.
• Merit pay was seen more favorably by those who feel that the system rewards high quality performance.

Ratings and Management—
Belief in the integrity of the performance appraisal system strongly influenced the level of acceptance of merit pay systems.
• Intensive involvement of the pool manager during the performance appraisal cycle is likely to make his active role in the rating process more acceptable.
• Employees *involved* in the standards development process were more likely to view the performance appraisal process as fair and tended to view merit pay favorably.
• Serious rating problems occurred at appraisal time where there was a lack of continuous performance monitoring by senior management throughout the year.
• The high distribution of "exceeds fully successful" and "outstanding" performance ratings had a direct impact on the amount of funds available for differentially rewarding levels of performance (i.e., less money was available to reward this high rating).

What Senior Management Should Do to Get Merit Pay to Work:
• Make clear to supervisors their role in the performance appraisal and merit pay processes; emphasize the need to set appropriate standards and to differentiate appropriately among performance levels.
• Make sure second level, pool wide reviews of all performance agreements occur, checking for appropriateness of elements and difficulty of standards throughout the rating cycle.
• Review performance agreements for comparability of elements and standards across divisions or, when pool size or structure makes this infeasible, establish a second level review procedure to do this.
• Require periodic performance reviews to provide feedback to employees during the rating cycle and to test the adequacy of elements and standards.
• Require that criteria for distributing merit pay funds are clear and that funding information is communicated to affected employees.

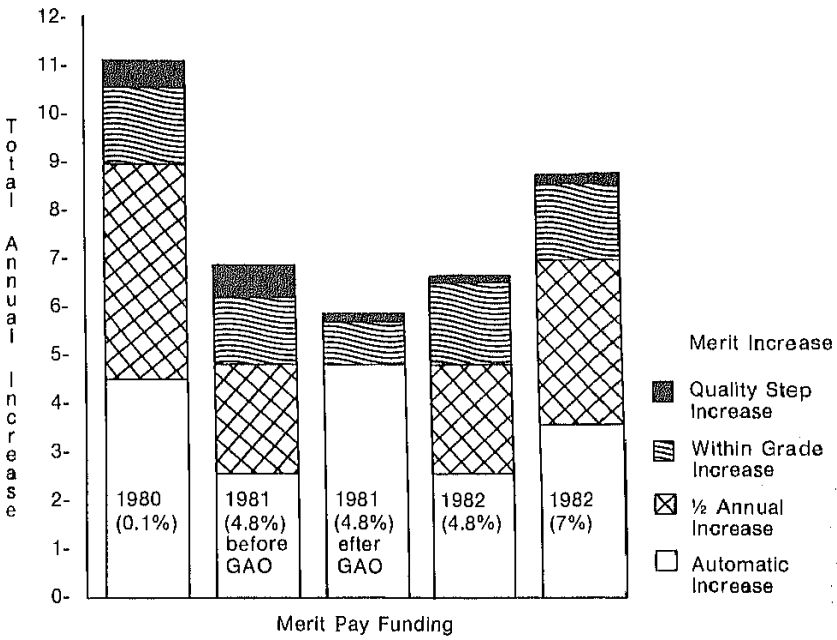
Conclusion
While merit pay can bolster sound management, it is no substitute for it. In fact, if serious organizational problems exist, merit pay can accentuate these problems. The experiences in 1980 showed that, if employees did not trust managers before merit pay, merit pay exacerabated this situation; if agency goals were not clear before merit pay, this lack of clarity became more apparent; if agency management lacked the ability to make performance distinctions before merit pay, this system did not provide a magic solution. Implemented as intended, however, merit pay can provide needed incentives for more effective management.

Additional information can be obtained from "For Merit Pay Pool Managers—Merit Pay in 1980: Lessons Learned" by Pat Power, Laurie Rothenberg and Peg Anthony at 202-632-4220.

Funding Levels

As shown on the chart, the relatively large annual increase (9.1 percent) in 1980 and the larger contributions to the merit pay fund for within grade and quality step increases account for the larger pool in 1980. After the GAO decision restricting within grade and quality step contributions, Director Devine increased the automatic portion for 1981 from 2.4 to 4.8 percent. Most merit pay employees in 1981 received from 4.8 to 7 percent increases. Had the system been allowed to function as intended, the increases would have ranged from 2.4 to 11 percent or more.

In 1982, within grade contributions will be restored to the original level, but the QSI contributions will remain at the lower level (i.e., about 0.1 percent of payroll). Before merit pay, only about 0.1 percent of pay was distributed based on merit (i.e., quality step increases); in 1981, about 1.0 percent was distributed. In 1982 and beyond, the figure should be well over 4.0 percent, thereby ensuring an adequate amount in the merit pay fund.



Benefits Comparisons

Based on a recently published survey of 3,000 companies by the New York-based Conference Board, private sector employees are enjoying more paid time off and are earning it sooner than they did in the early 1970's. The gains in increased leisure time have occurred mostly in the areas of retirement and paid leave.

The Conference Board survey compared benefits packages offered by a broad range of companies with survey data gathered in 1974. The data indicate that private industry benefits are getting closer to those offered in the public sector.

• **Time Off With Pay.** The typical private industry benefit allows a five-week paid vacation after 20 years, reached in the following increments: two weeks after one year, three weeks after seven years, and four weeks after 15 years. This compares with 13 days a year for the first three years, 20 days for the next 12 years and, after 15 years, Federal employees earn 26 days of annual leave each year.

• **Paid Holidays.** Private industry allows for 10 paid holidays per year as compared with nine allowed Federal employees.

• **Retirement Plans.** The average company surveyed provides a company-paid pension integrated with Social Security benefits, and grants 80 percent of the benefit for retirement at 60. The plans vest fully after 10 years of service and retirees' income is adjusted periodically for inflation. This compares with the Federal retirement plan, which provides its own pension, exclusive of Social Security benefits, and allows for retirement at age 55 with 30 years of service. Federal employees can get a lifetime annual income equal to 56¼ percent of highest average salary earned during any three consecutive years of employment. If a Federal employee leaves after completing 5 or more years of service, he can either have his money returned or leave it in the fund until age 62 when he is eligible to receive an annuity. Federal pensions are adjusted annually for inflation.

Employee Benefits—Federal vs. Private Employers

The following chart, based on a seven-year study by OPM, shows the comparative values for Federal and private benefits for 1980 and 1981:

1981:		
Benefit	Federal Value	Private Value
Retirement	28.2% of pay	17.1% of pay
Life Insurance	0.3% of pay	0.9% of pay
Health Benefits	$903/year	$1242/year
Secondary Benefits	0.3% of pay	5.5% of pay
Scheduled Work	2080 hours	2054 hours
Leave	361 hours	351 hours

1980:		
Benefit	Federal Value	Private Value
Retirement	28.2% of pay	16.7% of pay
Life Insurance	0.3% of pay	0.5% of pay
Health Benefits	$760/year	$1045/year
Secondary Benefits	0.3% of pay	5.5% of pay
Scheduled Work	2080 hours	2062 hours
Leave	367 hours	352 hours

OPM Statistics and **The Atlantic Journal**, January 19, 1982 EAS

We've Got To Stop Meeting Like This!

By Annette Gaul

A meeting by any other name— whether it's a workshop, conference, symposium, hearing, or reunion—is still a meeting.

- In the United States alone, an estimated 11 million meetings are held *daily*.
- Executives spend anywhere from 40 to 75 percent of their time in meetings.
- Meetings are ranked by executives as their fourth biggest time waster, next to telephone interruptions, drop-in visitors and ineffective delegation.

Volumes have been written for managers on running meetings, ranging from informal techniques to the proper use of Robert's Rules of Order (and who is Robert, anyway?).[1]

There are staff meetings, sales meetings, board meetings, task force and committee meetings, club meetings, community action meetings, more meetings and even more meetings. This article will concentrate on one type of meeting all managers and employees have experienced, that bane of many a manager—the staff meeting. Three key questions are addressed:

1) Why have staff meetings?
2) Why are most of them so B-O-R-I-N-G?
3) What can be done to help staff meetings better serve their function?

If you think this subject is unimportant, think for a minute about what these meetings cost your organization. For example, ten people earning $15 an hour on the average (that's the salary of a GS-12, step 5) meeting one hour per week cost your organization almost $8,000 a year, not including preparation time or post-meeting discussion. And the cost would be much higher for meetings that include travel, per diem pay or material costs.

So think again. Are you using staff meetings to your best advantage? Are they cost-effective? Are they necessary?

To Meet or not to Meet

The objectives of a staff meeting are to transmit or clarify ideaa, problems or decisions; to get participation in problem-solving; to motivate staff; and to help employees act as a cohesive group. They are a two-way communications tool—when used properly. That means holding a staff meeting only when necessary to meet a previously determined objective.

Peter Drucker contends that "the ideal is the organization which can operate without meetings—in the same sense in which the ideal of the machine designer is to have only one moving part in his contraption." Since the ideal is at times elusive, perhaps the first question to ask yourself is, "Why am I holding this meeting?" If a clear response does not come forth quickly, don't hold the meeting just for the sake of ritual. Once you have established your purpose, determine whether what you want to accomplish might not be better handled by phone or memo.

Meeting Disaster

The most common complaints about staff meetings are that they're too routine, too frequent and, in the words of at least one disgruntled employee, run "half-fast" by people who cannot effectively conduct them.

In addition, participants may feel the staff meeting is not a comfortable forum for expressing their true views; may be silent because they think the best way to get ahead is not to disagree; or may be apathetic because the manager does not listen to what is being aaid or may not reward good ideas or act as promptly as promised.

An important consideration before meeting is, what your employees hope to get out of it. They want involvement and participation without reprisal. They want to know what's going on, and what their role is in the organization. They want to know how policies and programs will affect them as well as what contributions they can make.

[1] *Henry Martyn Robert, South Carolina born military engineer and parliamentarian. First to codify rules of parliamentary procedure in 1876.*

And they are not as enchanted as
u are with the music of your own
ice. George Odiorne, com-
nting on the manager's role in a
eting, states that "the leader
ys a special active role, but he
esn't dominate or manipulate
session. His main job is to serve
the capacity of a PBX
itchboard operator in a live ses-
n, where he gives everyone who
s an opinion an opportunity to
sent it."
Employees may also dread staff
etings because they may feel
a captive audience. This feeling
dread can multiply when
neone is in a meeting with both
employees and supervisors: he
to look good for all of them. That
blem can be solved by avoiding
many levels of workers at one
ff meeting.
est you rush right out to cancel
future staff meetings, remem-
that skills needed to run a staff
eting (or any other type of
eting) are not genetically in-
ited. They can be acquired
ough practice and a sense of com-
ment to being a good manager.
t think of it as one more, very im-
tant management skill.

eting with Success

taff meeting has a good chance
success if you keep in mind the
owing:

Prepare for the meeting by ask-
"What do I want to achieve?"
d meetings when there is
ething worth communicating—
ther it's an action item or in-
nation exchange. Focus the
ting with goals, priorities, a
e frame, necessary assignments
follow-up. Make it a
perative staff effort, not a
nologue. Think of it as a
nagement cycle that needs to be
pleted.

How long will it take? Set a
listic time frame, considering
at's on your agenda. An action
nted meeting may tend to take
ger than an informational
ting. (White House Deputy
ef of Staff Michael Deaver repor-
ly turns down requests for 15
ute meetings with the President
ause he thinks that no meeting
can be held in such a short time
frame.)

3) *Who should attend?* Perhaps not all staff need to be there. On the other hand, persons not usually included could perhaps be asked to attend to provide new insight to an agenda item. Ask participants in advance if there is something they feel would be pertinent to the agenda. Let them understand what their role will be—are they there to work on a problem, contribute ideas? Circulate the agenda as well as other necessary materials ahead of time.

4) *Start the meeting on time.* Stragglers will learn you mean business.

5) *What's my meeting leadership style?* During a meeting, be open to new ideas, listen thoughtfully and stick to the agenda. One of Defense Secretary Casper Weinberger's aides was recently quoted praising his boss, "the old obfuscating techniques don't work with Cap. He has an internal gyroscope that keeps his course in any conversation." If the meeting objectives are not being met, end the meeting.

6) *Have I done what I set out to*

• A non-profit management association director holds routine staff meetings but has a different person run the meeting each week. Everyone, whether support staff or professional staff, has a turn at leading.

• Have everyone stand. It's amazing how much faster a meeting goes when people aren't comfortably settled back into their chairs.

• Use a buzzer or a bell. A participant who feels the discussion has gone off-track can push the buzzer or ring the bell as a signal to get back on course.

• Arrange for speakers, either from the organization or outside it, on topics related to the organization's business. Short talks with discussion can be a rewarding learning experience for staff. This can be especially useful when training budgets are limited or when rumors in circulation must be addressed.

• Raise a controversial issue for

Managers - Born? Developed? - or Both?

By E. C. Kilgore

Any organization is only as good as its people; its future is generally only as sound as its ability to select and develop the next generation of managers.

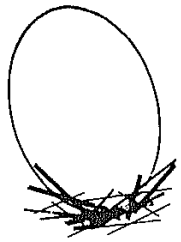
Most executives would agree that this premise is at least more true than not. However, in practice many top executives tend to relegate people development to a lesser priority - to be concerned about if time allows. The organization at all levels soon reads this clear signal and reacts accordingly, with people development having no priority at all.

Even a cursory examination of the best managed and most productive corporations and government agencies reveals a close correlation between success and the priority given to growth and development of managerial talent. It would be an oversimplification to claim this as the sole reason for success; however, it may well be the key to continuing vitality of all organizations.

The development of tomorrow's managers will not just happen by itself. Top management must provide a structure and require accountability of lower managers which will insure a continuing effort in development of people. An important element in the performance appraisal for all managers must address their success in carrying out this task. We have all observed organizations that spend large amounts on management training of all types under the mistaken impression that training will guarantee an effective next generation of managers. They fail to recognize the fundamental difference between training and development. Training can provide a knowledge of management tools, such as scheduling systems, control systems, management styles, and organizational alternatives, to mention a few. These are all desirable and helpful to a manager, but they by themselves do not guarantee success. Development of managers can only be accomplished by providing progressively difficult and challenging management experiences to people as they rise to the top of the organization. If people with high potential survive in shallow water they should be thrown into deeper water. Those who have the ability and desire will continue to swim.

These progressive assignments provide top management a chance to observe ability and, even more important, they provide the aspiring manager an opportunity to determine whether management is truly what he or she envisioned. If they pay attention to this process, top management can with some degree of certainty match abilities with the proper management levels in the organization. Prospective managers will discover for themselves that going higher in the management chain has its challenges and even some rewards, but at a demanding cost in both time and energy. Some discover that being a top executive "where the buck stops" is a very exposed and sometimes lonely position.

Mobility within an organization is a key ingredient in progressive management experiences. And, it need not have the connotation of geographical moves. In an organization with geographically dispersed units some moves are desirable and even necessary in order to provide broad experiences for future top level managers. However, there are many opportunities to provide a wide range of experiences by only moving down the hall.

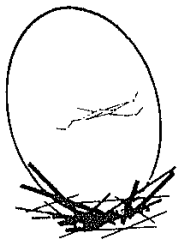


In addition to understanding a specific discipline, all managers must organize, plan, control and deal with human resources. Some hands-on experience in budget, personnel, procurement and other disciplines that will be invaluable later in the manager's career can usually be provided within one facility.

Mobility and multiple job experiences obviously cannot be made available to everyone in an organization. Selection of candidates with high potential as future managers must be done with great care. What should top management look for? Obviously, candidates must have demonstrated outstanding capabilities as individual performers in one or more jobs. However, outstanding performance is not enough: candidates must possess the desire to lead—to manage—to accomplish things with, and through use of, people. In this respect, perhaps, managers are truly born and not made: early in their career they find they get their challenge and motivation from leading people to achieve an objective. No matter how great candidates may be as individual performers, they will generally not be successful as managers unless they thrive on doing things with people. We all know of examples where an outstanding performer is thrust into a management role and becomes increasingly frustrated with the responsibility for people. Usually we "band aid" these managers by appointing a deputy to manage or, as it is usually phrased, to "handle the administrative details." At best, this usually results in a one-man show with the organization never achieving anything near its full potential.

Outstanding individual performers are vital to a good organization and should be recognized as such. This is particularly true in a research and development organization where it is mandatory that some form of parallel career ladder exist to provide the outstanding researcher a route to the top as an alternative to the management route. The parallel ladder provides challenge and reward to capable people who lack either motivation or ability to lead others. Ambitious people will strive for the top; if the only route is through management positions they assume this role to the detriment of their organization and to their ever-increasing personal dissatisfaction.

In recognizing management potential, another important ingredient is the candidate's genuine concern for people as well as for achievement of results. This is an important balance for the long range success of a manager. It is also a difficult transition for a new first-line supervisor to



make. No longer one of the troops, he or she now has a responsibility to the total organization as well as to those supervised. The new supervisor can approach this new role by becoming a dictator and no doubt achieve some short term results. However, the long range health of the organization will suffer and in extreme cases fail. Conversely, a new supervisor who allows a totally permissive society ignores his responsibility to the organization as a whole and can end up with a chaotic situation.

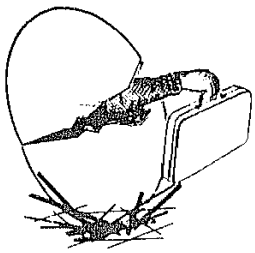
Neither of the two extremes—the dictatorial manager or the permissive manager—will build long range effectiveness in an organization; each should be avoided in selecting management candidates. It is true that successful managers will be called on to use extremes in management styles at times, but in the long run organizations seem to prosper where a leader balances concern between people and end results.

It would be simple to select high-potential management candidates if rigorous tests or other quantitative measures existed to determine capability, leadership, desire to manage, interest in people, and interest in results. Unfortunately, those that do exist are imperfect and inconclusive.

How does top management select candidates with any degree of certainty? First, they look for top performers who have evidenced some leadership characteristics. Second, they apply intuition based on experience and observation of the candidates, and, third, they consider the desires and ambitions of potential candidates. Subjective as this process is, it is a reasonable starting point. Exposing the selected candidate to real and increasingly more complex management assignments is the true and rigorous test. This is a dynamic process where some soon discover for themselves that management is not their preference or strength. And, top management can soon observe that others do not measure up to the potential expected. This all requires close attention and time-consuming observation by agency management, but the long-range health of the organization is worth it.

Generally this effort will not be expended without a system that forces continuing accountability on top management and their subordinate managers. After the careful screening and selection of candidates, a development plan for each should be formulated between candidate and supervisor. It should not be an attempt to plan an entire career; it should cover only the near term steps, be simple and concise and be updated periodically. Both training and development experiences should be considered.

Development plans generally are more meaningful if they aim the candidates toward a specific management position or class of positions. This not only tends to focus the development planning but also provides a realistic goal for the candidate. Two or three candidates may be in the development pipeline simultaneously for a single key position. This assures



competition, avoids preselection, and provides a pool of candidates who are also generally qualified for other key positions.

This raises the question of whether to develop a generalist manager or one tailored to a specific position or class of positions. Much depends on the type of organization and the needs of the organization. In an R&D organization, involving diverse technical disciplines, a focus toward development of managers who also possess skills in a particular discipline is necessary in many cases. Other organizations can develop and use generalists in many key positions interchangeably. Development strategy should be aimed toward the needs of the specific organization involved, since one pattern will not necessarily fit the requirements of all.

Supervisors should review the candidate's performance frequently and report to top management on progress at least once a year. This ensures that sufficient attention is given to the process at all levels in the organization.

Previously I emphasized the point that development and training are different. This was not intended to downplay the importance of training in the management development process: management skills can be enhanced and honed through structured training. The real problem top management faces is how to provide the most effective training within a limited budget. Obviously an increased return on the investment can be achieved through concentration on the specific needs of the candidates. There must be a dynamic process of close observation of performance and periodic updating of the development plan to fit the needs observed. The most successful management training in both industry and the government is that which is specifically focused and tailored to the organization involved. The training should have two major components: first, a structured portion aimed at management techniques, styles and skills and, second, a portion that allows direct interaction with top management. The candidates' interaction with top management in an environment away from the worksite is extremely effective and important. While it is difficult to get top management to participate on a regular basis, this is the key to continuing success. Constant selling and demonstration to top management of the importance of their participation will pay large dividends in the future development of good managers.

Above all, it is paramount that an organization's management assume the responsibility for development of the next generation of managers, that this activity be given high priority, and that it not be delegated to some functional unit where top management plays a passive role at most. The dividends for active management involvement will be great.

E. C. Kilgore recently retired as Associate Administrator for Management of the National Aeronautics and Space Administration, after a 38-year federal government career.

The Quiet Pension "Crisis"

By John W. Macy, Jr.

Twenty years ago the prime personnel program of the federal government was the *quest for quality with equality* in order to achieve the pride and liveliness articulated by President Kennedy in his first State of the Union message. The Civil Service Commission (now the Office of Personnel Management) played the leadership role in that quest, extending and expanding its recruiting effort to increase the flow of highly qualified college graduates into the competitive process which would lead to a government career.

At that time two legislative steps were taken. First, the principle of comparability in compensation for federal employees was adopted. Second, a rational means for periodic adjustment of retirement annuities based upon the upward movement of the Consumer Price Index was

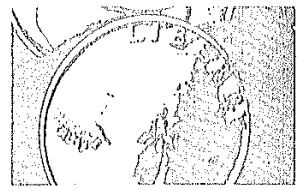
In analyzing these conditions and recalling my involvement in their origination, I am forced into a mea culpa attitude and advocacy for changes in the retirement system which are clearly opposed to my own financial interests.

If private employers adopted CPI indexation for their retired employees, they would be in bankruptcy court in no time. Federal retirees cannot live in an inflated economy with protected purchasing power while others on Social Security and private pensions receive far less. In a time of relatively stable prices, the condition existing 20 years ago, the indexation was preferable to annuity adjustments determined by the political process in election years. But with double digit increases in costs, a continuation of that indexation provides an inflationary push *in itself*, raising to astronomical levels the present and future cost of retirement benefits.

I would not advocate the total elimination of periodic adjustments for retirees and survivors but I would advocate two modifications:

1. Design a periodic measurement more indicative of actual costs to retirees then the Consumer Price Index.
2. Limit the cost of living adjustment to a maximum of the annual increase given active workers and apply the adjustment to less than the total amount of the annuity.

Unfortunately, misunderstandings about the cost of retirement have been largely accepted by federal employees. I fear that officials have tended to foster those misunderstandings: It has been explained that the employee contribution to the retirement fund means that the ultimate retiree is paying for



one-half of his annuity from his salary deductions of 7 percent. But the true cost is not 14 percent. It is nearly 37 percent of the payroll at the average level cost. (In fact, if the accounting requirements applicable to the private sector under the Employee Retirement Income Security Act were used to measure cost, it would be 79 percent of payroll.) Using the 37 percent figure, the employee contribution of 7 percent is only about one-fifth of the total cost involved. In the average case, this contribution has been paid back in annuities in a relatively short time. An accurate one-half of the cost would be over 18 percent of payroll, which is clearly an excessive deduction from take-home pay of active employees in order to finance retirement benefits.

As of September 1979, these costs had generated an unfunded liability in the civil service retirement fund of $403 billion, an amount equal to roughly one-half of the current national debt. For every participant, active and retired, there are unfunded liabilities of $89,000. These figures point to a heavy burden on the taxpayer and the worker of the future if the present conditions are allowed to continue.

And what about Social Security? During my service at the Civil Service Commission I advocated again and again the integration of the civil service retirement program with Social Security in order to achieve a greater degree of comparability with workers in the private sector. It has always been my belief

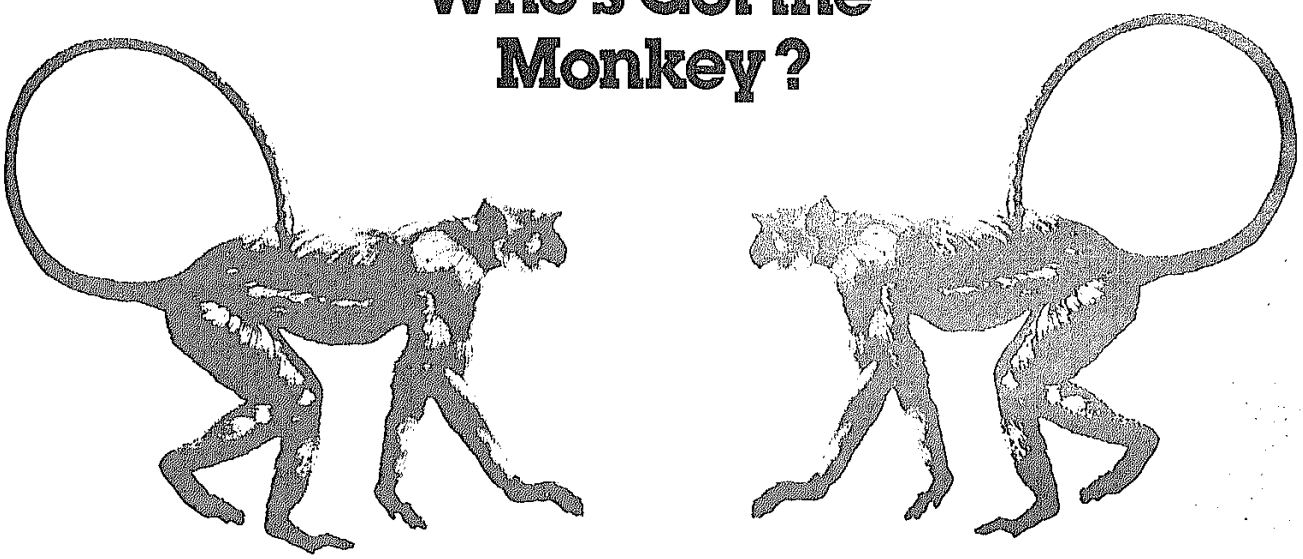
that the original Social Security Act was intended to be a retirement foundation for all American workers. But the active opposition to this interrelationship has deferred its enactment across the board.

The time has come for concrete steps toward integrating the two programs. There is no need for further studies: the shelves are full of them. Certainly there are complexities in design, complications in implementation and concern for those affected. But further delay magnifies these difficulties and amplifies the political pain. A system as inequitable, irrational and costly as the present one cannot be defended.

This need for change is in the interest of those who are working and have worked for the government as well as the citizens who support that government. I will not accept a secondary position to anyone in my advocacy of career civil servants. I deplore the chronic attacks, from whatever source, that denigrate their performance. I have spent a career attempting to demonstrate that the work "bureaucrat" is not pejorative but an affirmative label for those who serve their country. They should receive comparable compensation *and benefits* to those performing the same tasks in the private sector. But, just as lags in pay should be overcome, excessive benefits for retirees should be modified. Through the integration of the retirement system with Social Security will come a common base that assures greater equality. That step alone would be both beneficial and fair to all parties concerned.

John W. Macy, Jr., was Chairman of the U.S. Civil Service Commission, OPM's predecessor agency, from 1961 to 1969.

Management Time: Who's Got the Monkey?



By William Oncken, Jr. and Donald L. Wass

Why is it that managers are typically running out of time while their subordinates are typically running out of work? In this article, we shall explore the meaning of management time as it relates to the interaction between the manager and his boss, his own peers, and his subordinates.

Specifically, we shall deal with three different kinds of management time:

Boss-imposed time - to accomplish those activities which the boss requires and which the manager cannot disregard without direct and swift penalty.

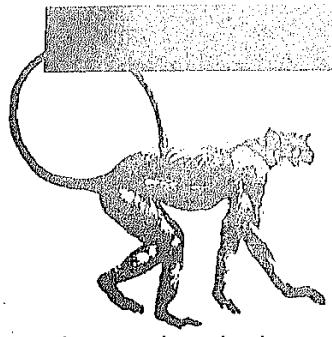
System-imposed time - to accommodate those requests to the manager for active support from his peers. This assistance must also be provided lest there be penalties, though not always direct or swift.

Self-imposed time - to do those things which the manager originates or agrees to do himself. A certain portion of this kind of time, however, will be taken by his subordinates and is called "subordinate-imposed time." The remaining portion will be his own and is called "discretionary time." Self-imposed time is not subject to penalty since neither the boss nor the system can discipline the manager for not doing what they did not know he had intended to do in the first place.

The management of time necessitates that the manager get control over the timing and content of what he does. Since what the boss and the system impose on him are backed up by penalty, he cannot tamper with those requirements. Thus his self imposed time becomes his major area of concern. The manager's strategy is therefore to increase the "discretionary" component of his self-imposed time by minimizing or doing away with the "subordinate" component. He will then use the added increment to get better control over his boss-imposed and system-imposed activities. Most managers spend much more subordinate-imposed time than they even faintly realize. Hence we shall use a monkey-on-the-back analogy to examine how subordinate-imposed time comes into being and what the manager can do about it.

Where is the monkey?

Let us imagine that a manager is walking down the hall and that he notices one of his subordinates, Mr. A, coming up the hallway. When they are abreast of one another, Mr. A greets the manager with, "Good morning. By the way, we've got a problem. You see . . ." As Mr. A continues, the manager recognizes in this problem the same two characteristics common to all the problems his subordinates gratuitously bring to his attention. Namely, the manager knows (a) enough to get involved, but (b) not enough to make the on-the-spot decision expected of him. Eventually, the manager says, "So glad you brought this up. I'm in a rush right now. Meanwhile, let me think about it and I'll let you know." Then he and Mr. A part company.



Let us analyze what has just happened. Before the two of them met, on whose back was the "monkey"? The subordinate's. After they parted, on whose back was it? The manager's. Subordinate-imposed time begins the moment a monkey successfully executes a leap from the back of a subordinate to the back of his superior and does not end until the monkey is returned to its proper owner for care and

Let us analyze this one. The monkey is now on the subordinate's back because the next move is his, but it is poised for a leap. Watch that monkey. Mr. B dutifully writes the requested memo and drops it in his outbasket. Shortly thereafter, the manager plucks it from his inbasket and reads it. Whose move is it now? The manager's. If he does not make that move soon, he will get a follow-up memo from the subordinate (this is

monkey? Who will be checking up on whom? Wheelspinning and bottlenecking are on their way again.

A fourth subordinate, Mr. D, has just been transferred from another part of the company in order to launch and eventually manage a newly created business venture. The manager has told him that they should get together soon to hammer out a set of objectives for his new job, and that "I will draw up an initial draft for discussion with you."

Let us analyze this one, too. The subordinate has the new job (by formal assignment) and the full reponsibility (by formal delegation), but the manager has the next move. Until he makes it, he will have the monkey and the subordinate will be immobilized.

Why does it all happen? Because in each instance the manager and the subordinate assume at the outset, wittingly or unwittingly, that the matter under consideration is a joint problem. The monkey in each case begins its career astride both their backs. All it has to do now is move the wrong leg, and - presto - the subordinate deftly disappears. The manager is thus left with another acquisition to his menagerie. Of course, monkeys can be trained not to move the wrong leg. But it is easier to prevent them from straddling backs in the first place.

Who is working for whom?

To make what follows more credible, let us suppose that these same four subordinates are so thoughtful and considerate of the manager's time that they are at pains to allow no more than three monkeys to leap from each of their backs to his in any one day. In a five-day week, the manager will have picked up 60 screaming monkeys - far too many to do anything about individually. So he spends the subordinate-imposed time juggling his "priorities."

Late Friday afternoon, the manager is in his office with the door closed for privacy in order to contemplate the situation, while his subordinates are waiting outside to get a last chance before the weekend to remind him that he will have to "fish or cut bait." Imagine what they are saying to each other about the manager as they wait: "What a bottleneck. He just can't make up his mind. How anyone ever got that high up in our company without being able to make a decision we'll never know."

Worst of all, the reason the manager cannot make any of these "next moves" is that his time is almost entirely eaten up in meeting his own boss-imposed and system-imposed requirements. To get control of these, he needs

discretionary time that is in turn denied him when he is preoccupied with all these monkeys. The manager is caught in a vicious circle.

But time is a-wasting (an understatement). The manager calls his secretary on the intercom and instructs her to tell his subordinates that he will be unavailable to see them until Monday morning. At 7:00 p.m., he drives home, intending with firm resolve to return to the office tomorrow to get caught up over the weekend. He returns bright and early the next day only to see, on the nearest green of the golf course across from his office window, a foursome. Guess who?

That does it. He now knows who is really working for whom. Moreover, he now sees that if he actually accomplishes during this weekend what he came to accomplish, his subordinates' morale will go up so sharply that they will each raise the limit on the number of monkeys they will let jump from their backs to his. In short, he now sees, with the clarity of a revelation on a mountaintop, that the more he gets caught up, the more he will fall behind.

He leaves the office with the speed of a man running away from a plague. His plan? To get caught up on something else he hasn't had time for in years: a weekend with his family. (This is one of the many varities of discretionary time.)

Sunday night he enjoys ten hours of sweet, untroubled slumber, because he has clear-cut plans for Monday. He is going to get rid of his subordinate-imposed time. In exchange, he will get an equal amount of discretionary time, part of which he will spend with his subordinates to see that they learn the difficult but rewarding managerial art called, "The Care and Feeding of Monkeys."

The manager will also hav plenty of discretionary time left over for getting control c the timing and content not only of his boss-imposed tim but of his system-imposed time as well. All of this ma take months, but compared with the way things have been, the rewards will be enormous. His ultimate objective is to manage his management time.

Getting rid of the monkeys

The manager returns to th office Monday morning just late enough to permit his fou subordinates to collect in his outer office waiting to see him about their monkeys. He calls them in, one by one. The purpose of each interview is to take a monkey, place it on the desk between them, and figure out together how the next move might conceivably be the subordinate's. For certain monkeys, this will take some time. The subordinate's next move may be so elusive that the manager may decide - just for now - merely to let the monkey sleep on the subordinate's back overnight and have him return with it at an appointed time the next morning to continue the joint quest for a more substantive move by the subordinate. (Monkeys sleep just as soundly overnight on subordinates' backs as on superiors'.)

As each subordinate leaves the office, the manager is

When the subordinate (with the monkey on his back) and the manager meet at the appointed hour the next day, the manager explains the ground rules in words to this effect:

"At no time while I am helping you with this or any other problem will your problem become my problem. The instant your problem becomes mine, you will no longer have a problem. I cannot help a man who hasn't got a probl-
"

Transferring the initiative

What we have been driving at in this monkey-on-the-back analogy is to transfer initiative from manager to subordinate and keep it there. We have tried to highlight a truism as obvious as it is subtle. Namely, before a manager can develop initiative in his subordinates, he must see to it that they *have* the initiative. Once he takes it back, they will no longer have it and he can kiss his discretionary time good-bye. It will all revert to subordinate-imposed time.

Nor can both manager and subordinate effectively have the same initiative at the same time. The opener, "Boss, we've got a problem," implies this duality and represents, as noted earlier, a monkey astride two backs, which is a very bad way to start a monkey on its career. Let us, therefore, take a few moments to examine what we prefer to call "The Anatomy of Managerial Initiative."

There are five degrees of initiative that the manager can exercise in relation to the boss and to the system: (1) wait until told (lowest initiative); (2) ask what to do; (3) recommend, then take resulting action; (4) act, but advise at once; and (5) act on own, then routinely report (highest initiative).

Clearly, the manager should be professional enough not to indulge himself in initiatives 1 and 2 in relation either to the boss or to the system. A manager who uses initiative 1 has no control over either the timing or content of his boss-imposed or system-imposed time. He thereby forfeits any right to complain about what he is told to do or when he is told to do it. The manager who uses initiative 2 has control over timing but not over the content. Initiatives 3, 4, and 5 leave the manager in control of both, with the greatest control being at level 5.

The manager's job, in relation to his subordinates' initiatives, is twofold; first, to outlaw the use of initiatives 1 and 2, thus giving his subordinates no choice but to learn and master "Completed Staff Work"; then, to see that for each problem leaving his office there is an agreed-upon time and place of the next manager-subordinate conference. The latter should be duly noted on the manager's appointment calendar.

Care & Feeding of Monkeys

In order to further clarify our analogy between the monkey-on-the-back and the well known processes of assigning and controlling, we shall refer briefly to the manager's appointment schedule, which calls for five hard and fast rules governing the "Care and Feeding of Monkeys" (violations of these rules will cost discretionary time):

Rule 1
Monkeys should be fed or shot. Otherwise, they will starve to death and the manager will waste valuable time on postmortems or attempted resurrections.

Rule 2
The monkey population should be kept below the maximum number the manager has time to feed. His subordinates will find time to work as many monkeys as he finds time to feed, but no more. It shouldn't take more than 5 to 15 minutes to feed a properly prepared monkey.

Rule 3
Monkeys should be fed by appointment only. The manager should not have to be hunting down starving monkeys and feeding them on a catch-as-catch-can basis.

Rule 4
Monkeys should be fed face to face or by telephone, but never by mail. (If by mail, the next move will be the manager's—remember?) Documentation may add to the feeding process, but it cannot take the place of feeding.

Rule 5
Every monkey should have an assigned "next feeding time" and "degree of initiative." These may be revised at any time by mutual consent, but never allowed to become vague or indefinite. Otherwise, the monkey will either starve to death or wind up on the manager's back.

Concluding Note

"Get control over the timing of what you do" is appropriate advice for managing management time. The first order of business is for the manager to enlarge his discretionary time by eliminating subordinate imposed time. The second is for him to use a portion of his new-found discretionary time to see to it that each of his subordinates possesses the initiative without which he cannot exercise initiative, and then to see to it that this initiative is in fact taken. The third is for him to use another portion of his increased discretionary time to get and keep control of the timing and content of both boss-imposed and system-imposed time.

The result of all this is that the manager will increase his leverage, which will in turn enable him to multiply, without theoretical limit, the value of each hour that he spends in managing management time.

William Oncken is chairman of the board of the William Oncken Company of Texas, Inc., Donald L. Wass is president of the company.

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Managing or Leading?

There is a difference between managing and leading. In fact, "the more you choose to manage, the less you choose to lead." If you are trying to do both, you are probably causing yourself unnecessary headaches and confusion.

A leader is the person in a group who "most clearly epitomizes the characteristics of the individual member," according to Roger J. Plachy, a management consultant specializing in interpersonal behavior and development of communication skills. A manager is "the person who decides what shall be done." A leader represents the needs and goals of individuals, while a manager represents the needs and goals of the organization.

Plachy distinguishes between the concepts with an example: "If A's management style is not compatible with the expectations of B, and if B is antagonized and does the job only because of A's position of power, then we can say A has been successful as a manager, but not as a leader."

Contending that modern management too often dictates that the manager be accountable for both organizational accomplishment and employee satisfaction, a condition not necessarily within the realm of possibility, Plachy points out that such accountability can cause managers increased stress. Leadership can be nurtured through establishing rapport with workers, although managers who lose favor with followers in the process of achieving organizational goals shouldn't worry: there are times when organizational needs take precedence.

Instances where individual needs and organizational goals are identical are, at best, "coincidences," says Plachy: People are motivated differently, human discord is a fact of life, and the search for the perfect combination of charismatic leadership and effective management is an illusion.

"The solution to the puzzle of managing effectively," he says, "is not to force managers to be leaders when management is required, but to allow the coincidence of managership and leadership to occur naturally through honest consideration of both perspectives." *(Management Review,* September 1981) AG

Changing Compensation

A personnel management trend rapidly gaining ground in the private sector is to offer employees more attractive compensation packages instead of salary increases.

With inflation rates that keep corporate profits lower and the changing expectations of today's work force (who value job fulfillment over job security), employees and management are looking for creative and flexible benefits to keep employee motivation high and company outlays lower. Gaining in popularity and usage is the "cafeteria" plan, where employees can pick from a variety of benefits offered. Generally, the employer establishes or converts to a "core" of basic benefits every employee needs, such as limited health and life insurance. The difference in costs between the previous plan and the core benefits is given to the employee in the form of dollars or flexible credits. Then, additional coverage is selected by employees based on their individual needs: more medical, life or disability insurance, retirement plans, savings plans or extra vacation days. The problems with flexible benefits plans are that they are difficult and time-consuming to set up, require extensive and sophisticated computer systems and are costly to administer initially. Thorough employee education on available benefits is also necessary. Advocates of flexible plans maintain that these problems are short-term, can be overcome and do not outweigh the benefits.

Many personnelists believe that broadening the range of employee benefits will aid in recruiting and retaining valuable employees. With more and more two-career families, flexible benefits allow the employees, rather than the company, to decide what they need from a job to keep them satisfied and most productive.

Some of the more unique benefits being offered today are: scholarships for employees' children, flexible hours, job-sharing programs, stock ownership and profit-sharing plans, supplemental medical plans that include vision and hearing benefits, dental plans, problem counseling, fitness centers, inexpensive lunch facilities (a few even have free lunches), group legal plans and day care centers. For executives, some of the new "perks" or benefits being offered (in addition to the old standbys of company cars, bonuses and country club memberships), are: salary guarantees, time off, relocation benefits and, increasingly popular, financial counseling.

The new tax laws will affect compensation and benefits planning, although to what extent is not known, since most laws have just gone into effect. Some insiders believe that benefits will be strengthened and that the individual will be able to set aside greater amounts for retirement on a favorable tax basis. With cutbacks in salary increases forecast and the needs of the workforce changing, the concept of total compensation will have a major impact on personnel management in the 1980's. *(Personnel Journal,* December, 1981) EAS

Studying Leadership

A Japanese corporation, the Matsushita Electric Industrial Company, Ltd., has donated one million dollars to establish a chair for the study and teaching of effective leadership at the Harvard Business School. *(The Washington Post,* November 12, 1981)

Advantages of Leave Without Pay

Before the advent of paid vacations, all time-off was time without pay. Then came vacations and sick leave and other varieties of paid time off the job. Now, for the 80's labor force, "unpaid time-off is coming full circle," according to J. H. Foegen, in his article, "Time-off Without Pay: Value Can Exceed Cost."

Foegen cites several advantages to unpaid leave, including: 1) decreased liability for employees who want to get out of the higher tax brackets; 2) extra time-off for two-career families for whom additional time to do chores or to spend together would be welcome; 3) stress relief for employees who can unwind and engage in leisure activities; and 4) spreading the work, especially in a recession, which may help save jobs of those who would otherwise be laid off.

Employers could use unpaid time-off as a reward for those who want it. The flexibility it provides to employees can be an effective motivator toward improved productivity. Since most of today's workers are in service industries, their schedules could be compressed or adjusted accordingly.

Obviously, leave without pay is less expensive to the employer than leave with pay, even though the cost of benefits continues. Foegen believes attempts at initiating unpaid leave policies, guaranteeing the employee his job upon return from non-pay status, have merit, and that most employers would be pleasantly surprised at the resulting rise in productivity of workers who request it. *(Human Resource Management,* Summer 1981.) AG

Blaming Management

Workers can no longer be blamed for the productivity decline in the U.S. So says Dr. Frederick Herzberg, productivity expert, behavioral scientist, and author of over 170 books and articles on clinical and industrial psychology. Instead, more recently, it is managers and academics who should shoulder the blame, according to Herzberg.

Tracing the work pattern in the U.S. since before the 1900's, Herzberg identifies three phases. The first phase generated production oriented managers who also were future oriented and measured by the production of concrete products. The second phase followed World War II and generated a "new breed of cat" who was concerned with careers and organizational skills rather than production. The third phase, referred to by Herzberg as the internal "immigration," came with the influx of blacks, Hispanics, Indians off the reservation, and "out of the kitchen reservation, women."

Then came the MBA's, emphasizing marketing and organizational behavior. Herzberg partially blames academics for the productivity slip because they validated the MBA's new orientation. He expresses his belief that the MBA's of recent years are "different from the organization man" and faults them for having short-term goals and careers. Calling them "the best of the dumbest," Herzberg believes their short-sightedness would make it difficult for them to help turn the economy around. *(San Antonio Texas Express,* October 28, 1981.) A.G.

"More Dedication to the Job"

The 1980's have brought a much more receptive attitude towards our nation's older workers, as opposed to the viewpoint of a decade ago when employers felt workers peaked at 50. Older employees have a greater dedication to their jobs and, in fact, perform much better than the younger ones, according to a recent William M. Mercer Study. Seventy-six percent of the 552 chief executive officers who responded said they would be willing to hire a person over the age of 50.

However, two new rulings appear to be at cross purposes. An IRS ruling recently prohibited increases in some pension benefits when individuals work beyond normal retirement age. Yet, the Labor Department says certain retirees can work 40 hours a month without losing any pension benefits, beginning in January. *(The Wall Street Journal,* December 22, 1981.) LIA

How Managers Rate

According to a recent survey by the Opinion Research Corporation, "mid-level managers in the private sector: 1) are experiencing their lowest degree of job satisfaction ever; 2) feel they have less job security than ever before; 3) do not think promotions are handled fairly and are dissatisfied with advancement opportunities; 4) rate their companies low in responding to management's problems; 5) are critical of top management's abilities; and 6) have decreasingly favorable attitudes toward their work.

The survey compiled the attitudes of managers, as well as clerical and hourly employees, in 16 different areas, including employee relations, pay and benefits, and job satisfaction. Another finding indicates that there is little relationship between the amount of education an employee has and his at-

titude toward his work. Clerical and hourly employees agree with mid-managers in areas of job dissatisfaction, unfair promotions and criticism of top management.

For managers, there is an apparent relationship between age and job satisfaction: the younger the manager, the less satisfied. In other groups, however, the youngest and the oldest are most satisfied. *(National Report for Training and Development*, October 9, 1981.) AG

"Dear Sexual Harasser"

Labor economist Mary P. Rowe has some practical pointers for dealing with an adversary in a sexual harassment situation. Among several suggestions in "Dealing with Sexual Harassment," the active approach is foremost. Victims should deal with the problem themselves in a rational manner. Too many people keep their anger pent up and only succeed in making themselves depressed or sick. Releasing that anger is important. One way to accomplish that release is to take constructive measures to let the offender know what you think about unwelcome behavior.

Constructive action can give aggressors who do not understand what they are doing a fair chance to "shape up"; can give knowing culprits a chance to make amends; can provide evidence to show that one has taken steps to make the aggressor stop; and, most important, can encourage those who tend to exaggerate to be more responsible in reporting aggressive behavior.

Ms. Rowe advocates that a person being harassed write a letter to the aggressor. (It should be polite and low-key and be written very carefully.)

There should be three parts to the letter: 1) A precise, detailed statement of all facts and dates relevant to the alleged harassment. 2) Describe your feelings (dismay, distrust, revulsion, misery, embarrassment, anger and so on) and any resultant damage. Any perceived or actual costs and damages, such as a job transfer, changing career goals, dropping out of a training course, taking excessive time off, and a decline in the quality of work should be mentioned. 3) Finally, writers should include a short statement of what they would like to happen next. Most only wish the harassment to end. However, the writer who wishes some sort of remedy or recompense should suggest that the offender take some specific action such as withdrawing of a prejudiced evaluation or providing an answer in writing as to his future action(s).

The letter should be delivered in person to assure its receipt. A writer might ask a policeman or plainclothes officer, security guard or other witness to come along on the delivery. *Always* keep a copy.

In Ms. Rowe's experience, the recipient usually replies to the letter. Sometimes there is an apology, an astounded opening of discussion, or a denial. More often than not, the offensive behavior will cease.

The letter is useful whether it achieves its intended goal or not. If the complainant wants to appeal to top level management later on, the letter is invaluable evidence to show what steps were taken. At any rate, attempting to deal with an aggressor in a direct and peaceable manner has a positive effect on the victim. *(The Harvard Business Review* May/June 1981) LIA

New Pay Ceilings for SES

The 1979 executive pay cap of $50,112.50 for federal senior executives has been raised to $58,500, reflecting the increase described in the President's Executive Order 12330 of October 15, 1981. Director Donald J. Devine, of the Office of Personnel Management, feels that this decision "keeps faith with our senior executives . . ." many of whom had been concerned that the Executive Order might have been modified.

For General Schedule employees the pay cap is $57,500; for SES and some presidential appointees, it is $58,500.

The new scheduled and payable rates follo

	Scheduled Rates	Payable I
level I	$85,200	$69,6
level II	74,300	60,6
level III	67,800	59,5
level IV	64,600	58,5
level V	61,300	57,5
ES-6	$64,600	$58,5
ES-5	62,950	58,5
ES-4	61,300	58,5
ES-3	59,119	58,5
ES-2	56,936	56,9
ES-1	54,755	54,7

LIA

Furloughs

Furloughs, when they have been used throughout the history of the civil service, have generally been necessary due to acts of God (floods or cyclones, for example) or breakdowns in equipment, power outages or other sudden emergencies that temporarily disrupt government work. However, employees can also be placed on furlough due to a lack of work or funds, including lapsed appropriations. It is the lack of funds which is now the case. Rule books and regulations are being dusted off and examined throughout government with an eye to the use of furlough to meet budget cuts.

A furlough involves placing an employee temporarily in a *nonduty, nonpay* status for nondisciplinary reasons. Agencies have the authority to furlough employees under the circumstances described above but they must do so in accordance with established procedures under applicable laws.

Two Types of Furlough

There are two types of furlough: short term (30 calendar days or less, or 22 workdays or less) and RIF (reduction-in-force) furlough. Although this article is primarily about short furloughs, a brief explanation of RIF furlough follows.

A furlough of more than 30 consecutive calendar days, or more than 22 discontinuous workdays, is considered to be a type of RIF action. When a furlough of this length takes place, RIF regulations apply. Employees are furloughed in order of their retention standing. Retention standing also plays a part when employees are recalled: those highest in retention standing will be recalled first. Although this type of furlough is a RIF action, it is still a furlough, since employees will be returning to duty; no severance pay can be collected.

Short Furloughs Under 5 USC 752

Short furloughs are a form of adverse action, administered under 5 Code of Federal Regulations Part 752; employees covered under 5 USC 752 (see below) must be furloughed using procedures described in Section 752, Subpart C. In a furlough situation, you are entitled to certain procedural rights under Part 752 if:

- You are in the competitive service, but not serving a probationary period under an initial appointment. (This includes part-time workers.)
- You have completed one year of current continuous employment other than a temporary appointment limited to one year or less. (This includes appointment to the Government Printing Office or the Administrative office of the United States Courts.)
- You are a preference eligible in an executive agency in the excepted service, in the Postal Service, or the Postal Rate Commission, who has completed one year of current service in the same or similar position. (A preference eligible is a person who is eligible for veterans preference in federal employment.)
- You are an employee with competitive status who occupies a Schedule B position.

If you are covered under Part 752, you can appeal a furlough to the Merit Systems Protection Board (because the furlough is considered an adverse action). Employees who are not covered under Part 752, including those serving in a probationary status, do not have adverse action or procedural rights. However, an agency may grant procedural rights and grievance rights to those affected.

In addition to those in probationary status, the following employees are *not* covered under Part 752: the Senior Executive Service*, temporaries, excepted service employees who are not preference eligibles and preference eligibles in the excepted service who have not completed the one year service requirement.

Other Recourse

All employees who are covered by a collective bargaining agreement may instead elect to file a grievance under the negotiated grievance procedure if applicable.

All employees have the right to file a discrimination complaint if they have been discriminated against on the basis of race, age, sex, color, religion, national origin or handicap.

Employees who believe that a furlough action is a prohibited personnel practice in violation of law, rule, or regulation can file a complaint with the Office of the Special Counsel, 1120 Vermont Avenue, N.W., Washington, D.C. 20419.

How Furlough Days are Scheduled

A short furlough covers a period that does not exceed 30 consecutive calendar days or 22 discontinuous work days. An agency could schedule furloughs for periods of one week on a staggered basis, with employees taking alternative weeks. Or furloughs could be scheduled on selected days over a period of weeks, with the total furlough days not exceeding 22 workdays. Your agency may reduce the number of days of furlough with proper notice to employees if it finds that fewer days are necessary due to changed circumstances. If the agency *increases* the number of days, a new notice is required.

Notification of Furlough

If you are selected for short furlough, you must be given 30 days' advance written notice. (Your agency labor management agreements may contain requirements in addition to this one.) There is an exception, however: in the case of "unforeseeable circumstances," the 30 day requirement can be waived and shorter notice given.

There are no provisions for selecting employees to be placed on short furlough. There is the requirement, however, that when some but not all in a given competitive level are furloughed, the furlough notice must state the basis for selecting a particular employee as well as the reasons for the furlough. If all in a competitive level are furloughed, it is best that the agency let them know why the particular level was selected. (This is not required, however.)

When You are Recalled

Your agency will not send you a recall notice except in the case of recall prior to the end of the furlough. The dates of the furlough are included on the actual notice. I

you do not return to your job on the day after the furlough has ended, you may be considered absent without leave (AWOL). If you wish not to return to work as soon as the furlough has ended, you must request leave and *have it approved.*

Labor-Management Relations
Agency management and labor organizations should cooperate to ensure constant and open communications as soon as there is any likelihood of a furlough. Management is required to let unions bargain on the *procedures to be used* in a furlough as well as on appropriate arrangements to be made for employees adversely affected by agency decisions. If an agency has one or more unions that have been granted national consultation rights, the agency should follow its established procedures for informing the unions of any newly developed agencywide plan and give them time to comment.

Taking Other Jobs
If you are placed on furlough you may obtain an interim job in the private sector or in another federal agency, as long as it does not pose a conflict of interest.

Impact on Benefits

Annual and Sick Leave
If you are placed on furlough for an entire pay period (i.e. 80 hours) you do not accrue leave. If your furlough is for less than a pay period, your leave accrual is not affected; you earn at the same rate. If your furlough lasts an entire pay period, extending into the next pay period or beginning in a previous one, you earn leave on a prorated basis for that previous or subsequent pay period. However, when cumulative time in a nonpay status equals 80 hours, the number of hours of leave that are normally earned in a pay period (4, 6, or 8 hours of annual, 4 of sick) are deducted from the employee's leave balance. Such deductions are made each time the employee accumulates 80 hours in nonpay status.

Part time employees continue to earn leave based on the number of hours they work. A total of six months of nonpay status in any calendar year is creditable service for determining leave-earning categories.

Leave should not be scheduled during periods of anticipated lapsed appropriations or continuous furlough. If you find you are in a "use or lose" situation, it is important that you schedule leave in writing for periods when you otherwise would be in a duty status to ensure that the leave may be considered for restoration in the event it must be cancelled and therefore forfeited.

Retirement
During a consecutive short term furlough, retirement coverage continues without cost to you or your agency. During a discontinuous short furlough, your coverage continues but contributions made by you and your agency are adjusted each pay period to be in proportion to your earned salary.

During a RIF furlough, you can receive retirement credit for up to six months of service in the aggregate in any calendar year. The six months is a maximum amount, even though your furlough extends beyond that time.

Life Insurance
Enrollment continues without cost to you for up to 12 months of nonpay status. On a discontinuous furlough, any available salary is applied to withholdings and the agency contribution is required. (The General Accounting Office instructions for determining the precedence of withholdings to which salary must be applied are explained in FPM Bulletin 550-38.)

Health Benefits
If you are placed on a continuous RIF furlough, your health benefits terminate at the end of the pay period in which you are furloughed. After that date, there is a 31 day extension of coverage, during which you may convert to nongroup coverage.

During a discontinuous furlough or a furlough of 30 days or less, enrollment continues without cost for most employees. If your salary during a pay period covers the full health benefits withholding, the full withholding is taken even though you are on nonpay status during part of the pay period.

OPM issued proposed regulations in the *Federal Register* of April 13, 1982, to require payment of health benefit premiums for any pay period when an employee does not pay the premium through salary withholding. A period of 30 days is provided for public comment on this proposal before the regulations may take effect.

Unemplayment Insurance Compensatian
Unemployment insurance compensation benefits vary from state to state, as to both the amount paid and the period over which benefits are paid. There is also a difference between consecutive and discontinuous furlough when it comes to collecting compensation. For example, a consecutive five day furlough may meet the requirements to qualify for unemployment benefits in some states, but a discontinuous furlough of one day a week for five weeks may not be sufficient for you to qualify for benefits.

Summing Up
It should be noted that furlough should be used only to solve actual problems, not those that might occur. You may be placed on furlough only if your agency intends to call you back to the same position within one year. A furlough is a temporary measure, designed to take care of short term situations.

Lastly, this summary of provisions related to furlough is necessarily broad. For answers to your specific questions, contact your personnel office.

**Regulations covering the furlough of career SES members appear in Part 359, Code of Federal Regulations, as published in the January 15, 1982 Federal Register. Procedures, benefits, and appeal rights are generally similar to those for members of the career civil service. For answers to specific questions, contact your personnel office. (Since non-career and limited members of the Senior Executive Service serve at the pleasure of the head of the agency, they are not subject to the regulations and can be furloughed at any time witl appeal rights.)*

FEHB Rates and Benefits

The U.S. Court of Appeals for the District of Columbia Circuit has unanimously confirmed the authority of OPM to hold rates and benefits of the Federal Employee Health Benefits (FHEB) program in line with the President's budget.

On March 30, 1981, OPM sent "call letters" reminding all health carriers of their obligation to submit benefit proposals by April 30, 1981. The deadline for submission of premium rate proposals was July 31, 1981. In the following months 120 plans submitted their proposals.

In August, 1981, OPM analyzed the submitted plans and concluded that the proposals would exceed the FEHB budget for FY 1982 by $4.4 million, and that costs to enrollees would climb by an amount in excess of $2 billion.

On August 21, 1981, OPM directed all carriers (other than health maintenance organizations) to reduce benefits and corresponding costs to meet the budget figure and submit new proposals by September 25, 1981.

After the new proposals were submitted, OPM concluded that further health benefits reductions had to be ordered. On October 21, 1981, OPM advised all health carriers that an additional 6.5% benefit reduction was necessary and that the deadline for proposals was 48 hours, i.e. October 23, 1981. The National Association of Federal Employees, the American Federation of Government Employees, and others brought suit for injunctive relief.

The District Court issued a preliminary injunction on October 30, 1981, ordering OPM to enter into new health benefits contracts containing the level of benefits allegedly agreed upon by the parties as of August 20, 1981. The trial court found that there was no evidence that OPM had considered the impact that its benefits reduction would have on the health benefits available to Government employees. The court discerned in the legislative history of the Federal Employees Health Benefits Act, 5 U.S.C. § 8901 *et seq.*, a duty on the part of OPM to consider such a factor. The trial court further held that OPM was without authority to remain within the President's budget for the FEHB program, and that cost to the government alone could not be taken into account in negotiating FEHB contraet benefit levels.

On November 4, 1981, the District Court, apparently having found some evidence that OPM had considered the impact its first benefit reduction would have on the health benefits available to Government employees, modified its initial order. OPM was now commanded to enter into contracts containing the level of benefits allegedly agreed upon as of October 20, the day prior to the second OPM order for benefits reductions.

The Court of Appeals, *per curiam*, reversed the District Court, finding substantial evidence in the record that OPM had considered interests of employees as well as costs to the government. The Court concluded that budgetary considerations were proper grounds for the October 21, 1981, 6.5% reductions, and that OPM had considered the interests of employees in ordering the benefit reduction.

The Court of Appeals observed: "Part of OPM's broad discretionary authority to approve health plan benefits is the power to order reductions in benefits." It also declared: "The entire legislative scheme is based upon OPM considering cost to the government in contracting for health benefit plans.**** Because OPM has an obligation to consider cost to the government in approving health benefit plans, it acted in a fiscally responsible manner by deciding it must adhere to the President's budgetary guideline which was subsequently approved by Congress.**** We accept the OPM's interpretation of its authority under the applicable statutes. The siren song that budget limitations can be intentionally violated harkens back to a time when the primary desire was to keep taxes low; much more is involved now with the nation plagued by rampant inflation that silently steals money from our citizens, and our economy is harvesting the results of such loose money programs with production and employment reduced to dangerous levels."

Thus the court found that OPM acted within its broad grant of authority and in a reasonable manner. The case is especially significant in that it affirms agency action taken to reduce and reverse the growth of government spending and to combat the rapid escalation of health care costs.

National Federation of Federal Employees v. Devine, U.S.C.A., D.C. Cir., No. 81-2184 (December 21, 1981).

Health Benefits Open Season

The U.S. Court of Appeals for the District of Columbia Circuit has unanimously upheld the procedural and substantive validity of Director Devine's postponement last fall of open season for the 1982 Federal Employees Health Benefits (FEHB) program.

Regulations in force in 1981 required OPM to hold an "open season" annually in November and December to permit Federal employees to transfer freely from one FEHB plan to another. On November 6, 1981, OPM announced that unforeseen emergency circumstances required postponement of the open season scheduled to begin on November 9. The emergency circumstances included last-minute rate and benefit reductions and litigation which resulted from them. That litigation, as reported above, was eventually resolved favorably to OPM.

Plaintiffs, including the National Federation of Federal Employees, the National Association of Government Employees, the National Treasury Employees Union, and the Group Health Association of America, Inc., brought suit. The U.S. District Court for the District of Columbia granted a preliminary injunction on November 18, 1981, asserting that OPM's actions had been illegal and ordering an open season to begin by December 7. The Court of Appeals, on the eve of commencement of the open season ordered by the District Court, stayed the lower court's injunction. Consideration on appeal followed.

The Court of Appeals examined the facts surrounding OPM's postponement of the open season. On November 6, OPM issued FPM Bulletin No. 890-77, which postponed open season "to a time which will be announced hereafter, or to the applicable period during 1982 as determined pursuant to 5 CFR § 890.301(d), whichever is earlier." The bulletin stated several reasons for the postponement. Accurate information regarding rates, benefits, and other terms of the 1982 health insurance plans was not available for distribution to employees because contract negotiations had not been completed until October 31, because substantial changes had been made in rates and benefits, and because pending lawsuits created uncertainty with respect to significant aspects of the 1982 program. The FPM bulletin also stated that changes in benefit packages for 1982 were so substantial that "the stability of the FEHB program, the financial integrity of many of the plans, and the welfare of employees and anuitants would be threatened if, as a result of an immediate open season, the actuarial and economic data bases underlying the FEHB program were significantly altered."

On November 12, 1981, OPM published a parallel interim regulation in the *Federal Register*, immediately effective, amending 5 CFR § 890.301(d) to permit the OPM Director to cancel or reschedule the annual open season by issuing an FPM bulletin. OPM briefly recapitulated the reasons for the action, and invited public comments on scheduling of open seasons in future years.

The Court of Appeals then tested OPM's actions against the notice and comment requirements of the Administrative Procedure Act, 5 U.S.C. § 553(c), and the "good cause" exception to such procedures that is found in 5 U.S.C. § 553(b)(B). Despite the narrowness of the "good cause" exception, the Court of Appeals concluded that OPM had "good cause" for its temporary postponement of the November-December, 1981, open season: "If open season had not been postponed on November 6, the agency would have been compelled to take action which was not only impracticable but also potentially harmful.**** In addition, OPM found that immediate holding of an open season might threaten the financial stability of the federal employee health benefit program.**** The situation facing OPM on November 6, 1981, was an 'emergency' within the scope of the 'good cause' exception. The agency's action was required by events and circumstances beyond its control, which were not foreseen in time to comply with notice and comment procedures.**** The agency's emergency decision was necessary to avoid action that would have been futile because of the unavailability of necessary materials—in this case, informational brochures about the 1982 health plans.... If open season had been held as scheduled, the resulting actuarial disarray might have posed a serious threat to the financial stability of the benefit program."

Turning to the plaintiffs' challenges to the substantive validity of OPM's open season postponement, the Court of Appeals found that "OPM's action was neither arbitrary, capricious, nor an abuse of discretion. Assessing the situation on November 6, OPM could not with any assurance have predicted when the courts would resolve the pending litigation regarding its benefit reductions, permitting it to establish the final terms of the 1982 plans. Nor could the agency have known, when it decided to postpone open season, how much time would be required to resolve the actuarial problems that threaten to trigger withdrawal of its largest health plan carrier. In these circumstances, OPM was not required on November 6 to set a definite future date for holding open season." The court also held that "OPM did not breach any contract by postponing the 1981 open season."

This decision, announced *per curiam*, represents a significant judicial upholding of the authority confided by Congress to OPM to manage the FEHB program efficiently, competitively, and with due regard both to the needs of beneficiaries and the Government's budget.

National Federation of Federal Employees v. *Devine*, U.S.C.A., D.C. Cir., No. 81-2224 (February 19, 1982).

"Clerical Quagmire"

Long live Jean Johnson (Management, Fall 1981, pp 32-33)!

I would add only this: The "created idea" may as well remain in the mind of its creator if that professional cannot communicate it completely. Errors in spelling, syntax or punctuation lead to more than delay in reading; they very often lead to the readers' understanding something other than what is intended. Words have fairly precise meanings. Punctuation and the order of words in a sentence convey both literal meaning and emphasis. These are presumed to be important to the creator—why else would he or she bother to write down the idea? Then, how can the professional walk away from the idea, leaving only a translation to be communicated?

Ben Neufeld
Vice President
AFGE Local 41
Washington, D.C.

Time Card Frolics?

Thought you may be interested in this, as it seems to fit into some of the proposals brought out in your magazine.

Ripoff Roulette

Have you been playing? or are you even aware of the game? You may be surprised to know that some of our people have the equivalent of a master's degree in the program. To find out if you are really a player, you can take the test below and score yourself or score a coworker.

Activity	Score
Come late to work	5 points
Leave early	5 points
Come late; leave early	15 points
Stop by work—go to cafeteria for breakfast	10 points
Stop by work—go to club for coffee	10 points
Stop by work—take friend to breakfast	15 points
Stop by work—take friend for coffee	15 points
Bring newspaper to work	5 points
Bring novel to work	10 points
Bring crossword puzzle to work	10 points
Read newspaper/book during working hours	15 points
Discuss newspaper items with coworker over 10 minutes	10 points
Discuss same items with small group	15 points
Complete crossword puzzle during duty hours	15 points
Cover last evening's TV, bowling, fishing, etc., with coworker during duty hours	15 points
Same as above with group of 3 or better	25 points
Leave for early lunch to "beat crowd"	5 points
Stay after lunch hour to "beat crowd"	5 points
Leave early; stay late for lunch	10 points
1 hour lunch; 1 hour gym	10 points
Leave work early to "beat traffic"	5 points
Leave work early; "It's Friday"	5 points
Rely on "Flexitime" as excuse for bad work habits	20 points

If you have taken the test during working hours, give yourself an extra 10 bonus points. If you score over 25 points, your supervisor should be concerned. If you score over 50 points, you don't have a job, but a position. If you score over 75 points, you are effectively unemployed and should be concerned about the arrival of your replacement.

In all seriousness, some of our people are taking advantage of their coworkers and supervisors, as we still operate on a day's work for a day's pay. Those of you who recognize yourself as a player in more than one of the situations discussed may be guilty of time card fraud. For those of you who get to work on time, work a full day, and think not of ripoff roulette—thanks for the effort!

Jim Daley
Gunter AFB, AL

Merit Pay Alternative

I have discussed the Federal Government's merit pay system with hundreds of managers and management officials over the past two years. Until October of this year, virtually every one of them was doubtful about the system without being able to specifically state why. Since the first full-scale payout in October, they have been unanimous in criticizing the system regardless of their personal gain or loss. When asked why they did not approve of merit pay, their answers were almost always vague.

I believe managers are finding merit pay perplexing because some very fundamental management concepts are being violated. However, because the system is billed as "merit pay," the problems are not apparent. In our capitalistic system, what could be wrong with a pay system based on merit? In addition, as vague as they are about merit pay in general, they generally approve of the annual expectation setting and evaluation process.

Competition for merit pay is primarily competition for basic pay entitlements of cost-of-living adjustments and longevity within-grade increases (high quality step increases are not included for reasons discussed later). I have labeled COLA and within grades as "entitlements" because as long as non-managers who perform satisfactorily continue to receive these increases, they will be thought of by managers as entitlements.

With this in mind, I believe merit pay is not being accepted because:

- The system is using a long-term reward method, i.e. basic pay entitlements, to encourage short-term accomplishments.
- Managers will not accept a system that affects their basic pay for the remainder of their careers based on only one year's performance.
- By using basic pay entitlements, merit pay places excessive importance on short-term accomplishments. Many managers find that short-term accomplishments often conflict with long-term quality objectives. This is the same realization American industry is facing in light of Japan's successes. American industry emphasizes annual profit while Japan has emphasized long-term quality decisions. Japan's recent accomplishments have caused much rethinking among American industries.
- Because managers' basic pay entitlements are on the line, the system is perceived as punitive. As one manager put it, "I know I can perform, but the implied threat is still demeaning."
- Rewards for distinguished or outstanding performance are so small that managers are of-

tended rather than motivated. For example, a GM-14 at Rock Island Arsenal, Illinois, was rated "highly successful" and received a merit pay increase of $597. He was due a pre-merit within-grade of $1,323 in January. Having been rated highly successful, he would have also been eligible for a high quality step increase under the pre-merit pay system. Had this individual been rated under merit pay as "exceptional," his merit pay increase would have been ten cents an hour higher. A rating of "fully successful" would have resulted in nine cents an hour less. Motivated or offended? It's not hard to determine which he felt.

In addition to the fundamental problems already discussed, implementation guidelines have been issued in an attempt to lessen the merit pay's impact. These have caused such additional problems as:

- A system of rates within pay ranges was developed and used by many agencies to partially restore some of the basic entitlements. This system in effect recognizes each manager's contribution from the pre-merit pay system. The results are, however, that all managers share in what entitlements would have been paid to specific managers with minor variations due to merit. This half longevity, half merit system turns out to be the worst of both.
- The pool system of making payouts works against the manager who is due a yearly within grade. Most new managers are concentrated in the first three pay steps, making them the most affected by merit pay. This situation creates a negative incentive for employees to enter management, especially when they could be giving up substantial pay raises.
- Refunding assumptions used by OPM (at GAO's insistence) perpetuate the historical problem of too few high quality step increases for managers. Currently, .1 percent is being used to fund such increases for merit pay. This means an increase of less than $2,000 was added to a pool of fifty managers having an average salary of $33,000 each. Incentives for greater achievement? Not really.

Do these problems have to exist in a merit pay system? I think not. Why not keep it simple by incorporating the best of both systems—longevity and merit? The following five-point plan, implemented October 1, 1982, would accomplish this:

1. Return to the general scale as the basic pay determining method. All managers who lost money in FY 82 due to the merit pay system will be paid a catch-up raise. Those who benefited will keep their gains.
2. All fully successful and above performers will receive full comparability and within-grade increases due to longevity.
3. Performers rated marginally successful will receive one-half comparability and no within-grade increases.
4. Unacceptable performers will receive no pay increases.
5. Merit pay awards will be determined on the following basis:

Rating	Highly Successful	Exceptional
1	1%	2%
2	2%	4%
3	3%	6%
4	4%	8%
5	5%	10%

The award system above would recognize annual achievements by making one-time cash awards. For example, assume our GM-14 manager from Rock Island Arsenal exceeded most of his objectives while earning an overall rating of "highly successful": He would receive the 4.8% COLA paid to all employees, a $1,323 within-grade in January, and a merit pay cash award. His manager determined that on a scale of 1 to 5 this manager performed at the 4 level. Therefore, his merit pay cash award would be 4% of his base salary ($1,640, 4% x $41,012). Under this system, his agency has recognized the manager's long-term accomplishments through base salary increases, retained an incentive system for him to remain with the federal service, and provided a short-term reward system.

I am hopeful that this or some other workable alternative will soon replace the current merit pay mistake. The very foundation of the federal government's management system is being undermined by the fundamental problems of merit pay. But the concept of merit pay can add an exciting new dimension to the federal service if we make it work properly.

Steve Hidalgo
Chairman of the Board
Professional Managers Association
Baltimore, MD.

Voluntary Placement Program for the RIF-Affected

If you have received advance notice of an agency RIF or have been identified as holding a surplus position, you can get help in locating other job possibilities. As long as you are not a temporary employee, you are eligible for the Voluntary Interagency Placement Program (VIPP). Coordinated by the Office of Personnel Management, VIPP accepts registration and provides assistance to anyone likely to be adversely affected by a RIF.

VIPP maintains a computerized job-matching system based on the voluntary exchange of information among agencies about surplus employees and vacancies. Early registration is preferable in order to allow ample placement coordination time.

Each agency should be referring people to VIPP as soon as the surplus people are identified or it has been determined that they are likely to be adversely affected by a RIF. Contact your personnel office or agency placement coordinator with any questions about your eligibility for VIPP registration and the procedures for doing so.

Once you are registered, efforts will be made to help you find suitable employment in another government agency or the private sector in a position for which you are qualified.